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North's Secretary Destroyed Files, Is Given Immunity

By Philip Shenon
New York Times Service

WASHINGTON — The personal secretary to Lieutenant Colonel Oliver L. North has been granted immunity by a special prosecutor and has acknowledged that she destroyed internal National Security Council documents in the hours before the Justice Department planned to review the colonel's files, her lawyer said.

The secretary, Fawn Hall, spent nearly an hour destroying the documents in what she believed was a "routine shredding" of classified National Security Council material, the lawyer, Plato Cacheris, said Saturday.

Mr. Cacheris said in an interview that Colonel North, who has become a focus of the investigation of the Iran-contra affair, apparently did not order the shredding but was aware that Ms. Hall was destroying the documents, including computer messages, and did not stop it.

"No one particularly told her," the lawyer said. "It was done as part of a routine shredding. That's her version."

The day after the reported shredding, Justice Department investigators trying to unravel the U.S. arms sale to Iran arrived at the National Security Council offices at the White House and went through the files of Colonel North and others.

Sources said Saturday night that it was clear that the special prosecutor in the Iran-contra affair, Lawrence E. Walsh, was attempting to build a case of obstruction of justice against Colonel North, in which the testimony of Ms. Hall could be central. Destruction of the documents was first reported in Sunday's edition of The Washington Post.

Mr. Cacheris would not comment on Mr. Walsh's intentions. The lawyer said that Ms. Hall, who had been Colonel North's secretary for four years, had been granted immunity "within the past several weeks" after "haggling" with the special prosecutor's office.

In a related development, another source said federal investigators had been unable to find documentation of key meetings held by Vice Admiral John M. Poindexter, the former national security adviser, regarding the Iran arms sale. "There do not appear to be Poindexter's records of certain meetings, records that are quite central to the affair," the source said.

Last year, federal law-enforcement officials reported that Colonel North, Admiral Poindexter and others at the National Security Council had probably destroyed stacks of classified documents just before Justice Department investigators arrived to begin an inquiry into the sale of arms to Iran.

The investigation, on the weekend of Nov. 22-23, found evidence that millions of dollars from the weapons sale had been secretly, perhaps illegally, diverted for use by Nicaraguan rebels, known as contras. Colonel North has been identified as the White House official who oversaw the arms sale and the diversion of money.

When it was reported that docu-

See NORTH, Page 6

U.S. investigators are puzzled by a large cache of unclaimed arms in Honduras. Page 6.

Nabil Tarabichi/Reuters

Shiite Moslem civilians cheered Syrian troops Sunday as they arrived in West Beirut.

Syrian Force Enters West Beirut

United Press International

BEIRUT — Thousands of Syrian soldiers deployed Sunday in West Beirut in a first step toward ending three years of chaos in the militia-ruled capital.

Cheering Lebanese lined the coast highway as the troops, riding on Soviet-made tanks and armored personnel carriers, moved to the edge of the city.

Israeli reconnaissance planes flew overhead as the column moved down from the Chouf mountains to the Mediterranean coast, then down the highway to Beirut.

The deployment marked the first intervention by Syria, the main foreign power broker in Lebanon, in more than a decade.

In 1976, at the request of the Arab League, a 1,200-man Syrian peacekeeping unit was sent to Beirut in an effort to end Lebanon's civil war. The new force, estimated at 5,000 to 7,000 soldiers, was requested Friday by Lebanon's Moslem leaders and is designed to reinforce the first unit, which has been unable to stop the fighting.

"We will break bones this time," said one Syrian officer.

Brigadier Ghazi Kenaan, the head of Syrian Army intelligence, vowed that the troops would end the clashes between the rival pro-Syrian Moslem militias.

"We will deploy in all areas," Brigadier Kenaan told reporters. "Whoever stands in our way will be finished. There won't be a cover for anyone."

Most of Moslem West Beirut was calm as the troops moved in. But there was scattered firing between rival militiamen of the Shiite Amal movement and an alliance of leftists led by the Druze Progressive Socialist Party.

Moslem militias seized control of West Beirut on Feb. 6, 1984, touching off three years of fighting that emptied the city of Westerners and wrecked the economy.

The increased Syrian presence was sought after almost a week of clashes left more than 200 people

See BEIRUT, Page 6

Monetary Pact Seeks To Keep Present Rates

6 Key Nations Reach Accord On Currencies

By Ferdinand Protzman
International Herald Tribune

PARIS — Finance ministers and central bankers of six leading industrialized nations agreed Sunday to stabilize currency exchange rates around their current levels and to pursue policies to reduce trade imbalances, while promoting noninflationary economic growth.

The group agreed to a vague package of coordinated economic policies. Japan and West Germany agreed to stimulate their economies, and the United States pledging to reduce its budget deficit and to "introduce a wide range of policies to improve its competitiveness and to enhance the strength and flexibility of its economy."

The "reduction of large, unsustainable trade imbalances is a matter of high priority," said a communiqué released after the meeting. It added that "more balanced global growth" should have a central role in this respect.

The meeting of the United States, Japan, West Germany, Britain, Canada and France came against the backdrop of a global economy increasingly strained by the sharp decline of the dollar, rising protectionist sentiment in the United States and Europe, and slowing economic growth that has raised fears of recession.

It was to have been a meeting of the so-called Group of Seven industrialized nations. But the Italian contingent boycotted the session to protest a supposedly informal gathering Saturday of the Group of Five nations — the Group of Seven minus Canada and Italy — which Treasury Minister Giovanni Goria called "a substantial violation of the Tokyo agreement to meet only as seven."

The six nations agreed that further substantial declines in the exchange rate of the dollar could damage economic growth prospects. But they concluded that currency swings in recent months would contribute to a sustainable pattern of current account balances.

The United States pledged in the communiqué released after the meeting to "pursue policies with a view to reducing the fiscal 1988 deficit to 2.3 percent of gross national product, from its estimated level of 3.9 percent in fiscal 1987."

"For this purpose," it added, "the growth in government expenditures will be held to less than 1 percent in fiscal 1988 as part of the continuing program to reduce the share of government in GNP from its current level of 23 percent."

Japan said it would "follow monetary and fiscal policies which will help to expand domestic demand and thereby contribute to reducing the external surplus. The comprehensive tax reform, now before the Diet, will give additional stimulus to the vitality of the Japanese economy."

And West Germany said it would "reduce the tax burden for individuals and corporations with a comprehensive tax reform aimed at reinforcing the incentives for private sector activity and investment."

The Bonn government will also propose to increase the size of tax reductions already enacted for 1988.

Except for the absence of the Italians, little that was unexpected came from the meeting.

The Group of Seven last met at the Tokyo economic summit meeting on May 6, 1986.

Sunday's communiqué did not say how the countries would try to stabilize currency trading. But after the meeting, officials hinted that

See PACT, Page 11

Mike Theiler/Reuters

Treasury Secretary James A. Baker 3d talks with Japan's finance minister, Kiichi Miyazawa, after the Paris meeting.

A Message to the Markets

Finance Officials' Accord Signals Intention to Stop Dollar's Free Fall

By Carl Gewirtz
International Herald Tribune

PARIS — The weekend meeting here of finance ministers and central bank governors from six leading industrialized nations produced no surprises but gave financial markets an important message: The dollar will not be allowed to continue its free fall.

Additionally, economic policies

NEWS ANALYSIS

in West Germany and Japan will be more oriented to spurring domestic expansion and the still elusive goal of economic policy coordination is making some progress.

"It's a useful statement in policy coordination," said Rimmer de Vries, chief economist at Morgan Guaranty Trust Co. in New York, in a telephone interview. "It sets the framework for the direction we ought to be going in."

There were no major breakthroughs, however. And considerable doubts persist about the Reagan administration's ability to deliver on its promise to reduce the U.S. budget deficit and on the willingness of Japan and West Germany to spur domestic demand in a meaningful way, all key elements in the weekend agreement.

Nevertheless, the major participants — the United States, Japan and West Germany — each could feel that the meeting had produced some progress.

The U.S. Treasury secretary, James A. Baker 3d, won commitments from Japan and West Germany that more stimulus to growth is needed as a prerequisite to reduce the U.S. trade deficit, which totaled nearly $170 billion last year.

The Japanese finance minister, Kiichi Miyazawa, embarrassed at home by the breakdown of an October agreement with Mr. Baker to stabilize the exchange rate, got the meeting he had long sought to renew the stabilization plan.

And Finance Minister Gerhard Stoltenberg of West Germany succeeded in deflecting pressure for applying even stronger stimulus to domestic demand than what he was

See ANALYSIS, Page 11

Early Test for the Dollar

International Herald Tribune

PARIS — Foreign exchange traders said the agreement reached Sunday was likely to be put to the test almost immediately.

"When Tokyo opens up tomorrow morning, the dollar is going in the bucket," said a Chicago-based dealer who asked not to be identified. "There was nothing solid in the agreement. The G-5 is looking for an easy way to stop the dollar's fall: The first thing the market is going to try and find out is when, where and how strongly the central banks will intervene to support the dollar."

In early Tokyo trading, the dollar was quoted at 182.80 Deutsche marks, after opening at 181.90 DM. Those quotes compare with a late Friday New York quote of 1.8310 DM.

Dealers will closely watch trading in Tokyo to see if the market pushes the dollar below a psychologically important resistance point at 1.80 DM.

Opinion on the effect of Sunday's agreement was not completely negative.

A senior dealer in Frankfurt said Sunday's agreement could provide a boost for the dollar, but that the market would also have to be wary of central bank intervention on the upside.

LATE NEWS

Police, Basques Clash in Spain

SAN SEBASTIAN, Spain (Reuters) — Hundreds of young Basques fought with the police Sunday to protest the expulsion by France of a suspected separatist. There were no injuries or arrests.

José Inciarte Gallardo, the suspected separatist, was handed over to the Spanish police Saturday night.

He was the 32d alleged separatist to be expelled since July.

INSIDE TODAY

GENERAL NEWS
■ Ronald Reagan told arms negotiators to adhere to a broad interpretation of the anti-ballistic missile treaty. Page 2.
■ In Chicago, a divisive Democratic primary matches the violence of the storms on Lake Michigan. Page 3.
BUSINESS/FINANCE
■ Gulf oil states met to consider how to prop up prices. Page 7.

Richard Open/Camera Press

Andy Warhol, who made pop art respectable, is dead at 58. Page 6.

French Police Capture 4 Top Terror Suspects

By Julian Nundy
International Herald Tribune

PARIS — Four leaders of the French guerrilla group Direct Action were arrested over the weekend, the Interior Ministry said Sunday.

The four arrests, made Saturday at a remote farm near the Loire Valley city of Orléans, gave the government's anti-terrorism campaign a spectacular boost after a year in which France has experienced some of its worst terrorism attacks.

The arrests came just before the trial in Paris of Georges Ibrahim Abdallah, an alleged Lebanese guerrilla leader, for the murders of a U.S. military attaché and an Israeli diplomat. The trial is due to start Monday.

Police said that those arrested in the farm near the village of Vitry-aux-Loges included France's two most wanted guerrillas, Jean-Marc Rouillon, 34, and Nathalie Menigon, 29, described as "historic leaders" and founders of the extreme leftist Direct Action. Their arrest ended a four-and-a-half year search.

The others were Joëlle Aubron, 27, and Georges Cipriani, 35.

Miss Menigon and Miss Aubron were both sought for the murder Nov. 17 of Georges Besse, the chairman of the state-owned Renault automobile company, and photographs of them had been posted throughout France. Mr. Besse was shot outside his home in Paris.

The police said that about 50 officers of the elite RAID commando group captured the four without a shot at about 9 P.M. Saturday. RAID stands for research, assistance, intervention, dissuasion.

The four were driven early Sunday to Versailles, just west of Paris, for questioning in connection with the January 1985 murder of General René Audran, the Defense Ministry arms procurement chief. Direct Action has claimed responsibility for his killing.

The police said that they would be transferred to Paris police headquarters later to be interrogated in the Besse killing.

Although the arrests came just before the Abdallah trial, which has prompted authorities to take strict security measures, police sources said the timing was coincidental.

An informer identified Miss Menigon, and police established a discreet observation of the farm last week, they said.

In a bizarre twist in the investigation, it was Miss Menigon's hobby, hamster-breeding, that convinced police that the informer's tip was accurate. A French radio station said that the informer had told police that Miss Menigon and Mr. Rouillon were breeding rats.

On Saturday, a committee headed by Interior Minister Charles Pasqua met in Paris to decide on the timing of the raid.

Unexpectedly during the evening, Miss Aubron and Mr. Cipriani also turned up at the farm. At 8:55 P.M., the Interior Ministry gave the go-ahead. The ministry statement said that the operation was over in 10 minutes.

Inside the farm, police found the original text of a Feb. 11 Direct Action communiqué threatening the lives of judges dealing with terrorist cases and claiming responsibility for Mr. Besse's murder.

The suspects "were neutralized without offering any resistance because of the speed of the intervention," the ministry statement said. "A large stock of arms and explosives as well as documents and sums of money were seized," it added.

The police said that they also found lists of attacks that were apparently being prepared for the

See ARRESTS, Page 6

The Associated Press

A medic aided victim of Sunday's explosion in Jerusalem.

Jerusalem Blast Wounds 12 Policemen, 5 Others

Reuters

JERUSALEM — Seventeen persons, including 12 Israeli policemen, were wounded Sunday in an explosion apparently caused by Arab guerrillas outside the Damascus Gate of Jerusalem's Old City, police said.

The explosive device, either a bomb or a hand grenade, went off during the change of shifts between two patrols of border policemen.

[The Palestine Liberation Organization claimed responsibility for the explosion, The Associated Press reported Sunday from Tunis. A PLO spokesman said the attack was carried out by a group called the Ali Abu Taouk unit.]

In Jerusalem, Police Chief David Draus said, "At this time it's not clear to us yet if we're talking about a hand-grenade explosion or a bomb blast." Most of the casualties appeared to have been slightly wounded by shrapnel.

Security forces took 70 Arabs into custody for questioning.

The Jerusalem police commander, Yossi Yehudai, said the blast could be linked to either of two anniversaries — the 18th anniversary of the founding of the Democratic Front for the Liberation of Palestine or the date the al-Aqsa Mosque was set ablaze by an Australian.

The Australian, Michael D. Rohan, a non-Jewish volunteer at an Israeli collective settlement, touched off three days of rioting in East Jerusalem in 1969 when he set fire to the pulpit of the mosque on the biblical Temple Mount.

The Old City, which is home to both Arabs and Jews, was captured from Jordan in the 1967 Arab-Israeli war and has increasingly been a center of violence in recent months. Damascus Gate is the main entrance to the Old City's Moslem Quarter.

Mayor Teddy Kollek said he believed the explosion was a result of tension between Israel and the 900,000 Palestinians living in the occupied West Bank, which was also captured from Jordan in 1967.

"You cannot have tension in the West Bank without a spillover into Jerusalem," Mr. Kollek said.

In Israel, a Sense of Unity at a War-Crimes Trial

Many Hope Demjanjuk Case Will Provide Focus for a Bitterly Divided Nation

By Glenn Frankel
Washington Post Service

JERUSALEM — The line begins forming around 8 o'clock each morning and it is a bit longer every day. It is a mixed group — teachers and students, retirees and adolescents, black-garbed yeshiva students and gum-chewing teen-agers in blue jeans — united by curiosity and a sense of Jewish identity.

They wait to enter a former movie hall that has been converted into a courtroom. Inside, a retired auto mechanic from Cleveland stands accused of torturing and executing thousands of Jews at the Treblinka death camp in central Poland during World War II.

At first, it appeared that most Israelis cared little about the trial of John Demjanjuk, which opened Feb. 16.

The Holocaust, in which six million Jews died and which helped lead to the creation of Israel, was long ago burned into the national psyche; many felt they needed no reminders. By Tuesday there were plenty of empty seats in the visitors gallery, which holds 300.

Chaim Guri, a poet, said that "Israel today is different" from the early 1960s, when the war crimes trial and hanging of Adolf Eichmann electrified the nation. Speaking on radio, he added that "Israel looks tired, exhausted, preoccupied with itself."

But awareness and curiosity about Mr. Demjanjuk and his trial have seeped into the populace. Media coverage has been heavy, with daily radio broadcasts. The gallery now is filled early each morning. Extra chairs have been added and dozens of people stand in the aisles.

Just as the Eichmann trial served to remind a generation of young Israelis of the grim origins of their state, many here hope the Demjanjuk trial will help restore a sense of unity to a nation bitterly divided between secular and religious, doves and hard-liners.

The feature player as the trial opened last week was not a person but a place: Treblinka, Nazi Germany's most efficient death factory, where at least 900,000 Jews were exterminated during 13 months in 1942 and 1943. Only about 50 inmates survived.

When the Germans abandoned the camp in September 1943 in the face of the advancing Red Army, they razed it, destroying records, maps and photographs. They then gave the property deed to a Polish farmer under instructions to claim he had worked the property throughout the war.

But the land was unusable because of the 900,000 corpses not far beneath the surface. One Holocaust expert, Yitzhak Arad, called it "perhaps the largest Jewish cemetery in the history of the world."

The prosecution has attempted to revive the memory of Treblinka using the testimony of Mr. Arad, who is the director of the Yad Vashem memorial museum here.

But his vivid reconstruction was repeatedly disrupted as Mark O'Connor, the chief defense attorney, challenged virtually every statement Mr. Arad made.

The audience, for the most part, sat impassively, even as Mr. Arad described in detail the two hours between the arrival of Jewish prisoners at the Treblinka train station and the moment when the gas chamber doors would be flung

See TRIAL, Page 6

Argentina Issues Warning on Debt

Compiled by Our Staff From Dispatches

NEW YORK — Argentina, mirroring Brazil's announcement Friday that it would indefinitely suspend interest payments on around $68 billion in commercial bank debt, has warned that it might stop payments on its $53 billion debt if banks refuse its request for new loans to meet growth targets.

"If the international banks don't grant us the $2.15 billion we asked for, priority will be given to growth of the gross domestic product rather than meeting foreign debt payments," Treasury Secretary Mario Brodersohn told reporters on Friday.

Mr. Brodersohn, speaking after Brazil's president, José Sarney, announced the Brazilian debt freeze in a nationwide television address, said a new loan was essential for meeting Argentina's growth target this year of 4 percent.

If Argentina failed to hit that target, he said, it would be unable to make payments on its foreign debts.

But Mr. Brodersohn said he was confident that an agreement could be reached with the bankers at a scheduled meeting in New York on Wednesday.

Mr. Brodersohn asked bank representatives last week in New York for the $2.15 billion credit, a lower interest rate and for refinancing of debt installments.

The International Monetary Fund has tentatively agreed to extend $1.35 billion in standby credit to Argentina, plus a $480 million loan to compensate for a fall in export earnings. The loan is contingent on Buenos Aires reaching an agreement with private banks on the additional $2.15 billion credit.

Meanwhile, the Brazilian announcement drew statements of understanding from many U.S. bankers over the weekend and praise from other debtor nations, but political criticism at home.

In his televised address, Mr. Sarney said Brazil was not adopting "an attitude of confrontation."

But he said he hoped that "a definitive and lasting solution" to Brazil's debt problems would emerge from negotiations with creditor banks, which are expected to begin in New York next month.

"We want to negotiate a formula to meet our obligations without compromising our development," he said.

U.S. bankers, responding to the announcement, said Brazil was merely bowing to the inevitable.

"There is no way they can avoid going into arrears," said the head of international lending for a major U.S. bank. "Brazil clearly is in a pinch."

Brazil owes about $81 billion to private banks, including about $24 billion to U.S. banks, led by Citicorp, Chase Manhattan and Bank of America. Its total debt, the larg-

See DEBT, Page 11

U.S. Team Is Told Not to Discuss Strict Limits for ABM Treaty

By Michael R. Gordon
New York Times Service

WASHINGTON — President Ronald Reagan has instructed American arms officials in Geneva not to negotiate or even discuss limits on defensive systems that would be more restrictive than the administration's new interpretation of the anti-ballistic missile treaty, according to administration officials.

They said Saturday that the order, in a National Security Decision Directive, sets an early deadline for completing consultations about the 1972 treaty with the allies and Congress.

U.S. officials are scheduled to leave this week for consultations with European and Asian nations, and "talking points" have been drawn up that outline the administration's case for formally adopting its new interpretation of the treaty. The officials are to report back to the president by March 2.

The issue of how to interpret the ABM treaty has emerged as the central arms control issue.

The administration has said its new interpretation is legally valid, and it is considering whether to adopt the position formally. The new interpretation would allow the development and testing of some types of Strategic Defense Initiative systems that are not permitted by the traditional view.

The SDI program, first outlined by President Reagan in March 1983, seeks to develop a mainly space-based system to defend against missiles.

The Soviet Union has taken a restrictive view of the ABM treaty, one that would prevent much of the testing of a space-based system.

[Gennadi I. Gerasimov, a spokesman for the Soviet Foreign Ministry, warned that the Reagan administration's so-called broad interpretation "kills the treaty."

[Speaking by satellite from Moscow, Mr. Gerasimov said on U.S. television that the U.S. effort "is no interpretation at all. It's just an attempt to eat the cake and to have it." He added, "Actually, this broad interpretation kills the treaty."

[Asked what the result would be if the administration insisted on the broad interpretation permitting "star wars" research in space, the Soviet spokesman said it would result in "another round of the nuclear arms race." He said, it "doesn't add any security to our security or to your security."]

Most of the former American officials who negotiated the treaty say the administration's interpretation is not valid.

On Saturday, some officials said the president's instructions could be a delaying action. But the dominant view in the administration appears to be that it is another step toward formally adopting the new interpretation of the ABM treaty.

The classified directive orders the Pentagon to submit a list by the end of April of proposed SDI tests that would be carried out under the administration's view of the treaty but that would not be allowed under the traditional interpretation.

It also orders the State Department to complete its final analyses of legal issues involved in adopting the broad view by the end of April. The State Department asked recently for six months to do so.

Administration officials said that the presidential order clarifies in an important way the administration's position in Geneva.

So far, American negotiators there have protected the option of adopting the new view of the treaty, but they have left open the possibility of ultimately agreeing to more restrictive measures.

The United States and the Soviet Union agreed recently to establish a working group in the Geneva arms talks on what is and is not permitted by the ABM treaty. Some State Department officials have expressed hopes that the working group could be used to achieve a compromise on the interpretation of the treaty.

The new presidential instructions, however, make clear that the United States is not to compromise on this question.

One administration official said Saturday that there was an "inexorable trend" within the administration toward adopting the looser view and that the principal remaining decision was when to do so.

There is also debate within the administration over the deadlines set by the directive.

Some officials noted that the consultations with Congress and the allies were to be completed before the deadline given to the Pentagon for completing its list of proposed SDI tests that require the broad view.

These officials say this timing suggests that the administration has basically made up its mind about the treaty.

Soviet Sets Nuclear Test, Bans U.S. Monitoring

By Bill Keller
New York Times Service

MOSCOW — Soviet authorities told American scientists on Saturday that the Soviet Union would detonate a nuclear device within several days, ending an 18-month moratorium on nuclear testing.

The American scientists were ordered on Saturday morning to shut off seismic measuring equipment that had been installed near the main Soviet testing site at Semipalatinsk in Kazakhstan, a lawyer for the monitoring team said.

[Gennadi I. Gerasimov, the Soviet Foreign Ministry spokesman, said on U.S. television Sunday that Moscow would reimpose its testing moratorium if the United States stopped testing, The Associated Press reported from Washington.

["I want to stress one point, which is, we're going to stop our tests immediately after you stop them, even in the middle of our series of tests," he said.]

"We were told that there was going to be a test," said Jacob Scheer, a lawyer who is co-director of the monitoring team. "We had to stop work for three days and possibly longer."

"We are really disappointed," he said. "We hope that in the future we will be able to measure a Soviet test."

He spoke by telephone from Karkaralinsk, where the Americans were completing installation of nine measuring devices as part of a program that began last summer.

The devices are the second phase of a joint Soviet-American project designed to demonstrate that it is possible to verify nuclear weapons tests, even at low levels of explosive force.

The Soviet Union halted nuclear testing in August 1985 and called on the United States to join in a permanent test ban. But the United States has continued testing, insisting that such tests are necessary for weapons development.

The Soviet Union, like the United States, does not normally disclose the dates of planned nuclear tests, on the ground that such information could be useful to the other side.

The Soviet ambassador to the United States, Yuri A. Dubinin, said at a news conference in Washington on Dec. 19 that the American scientists stationed near the Soviet testing ground would be permitted to measure the explosion.

A member of the Natural Resource Defense Council, Thomas B. Cochran, who was here for a peace forum, appealed on Wednesday to the Soviet Leader, Mikhail S. Gorbachev, and to Anatoli F. Dobrynin, the party secretary for foreign affairs, for permission to measure a Soviet test.

The Americans want to measure a test at close range to build confidence in U.S. estimates of the size of Soviet tests. The group also wants to show that this can be done by seismic measuring, and not through direct measurements at the Soviet testing site, as the U.S. government insists.

U.K. Students Protest Government Loan Plans

The Associated Press

LONDON — Thousands of students from around the country marched Saturday through central London to demand higher government grants for college students.

Organizers from the National Union of Students said more than 25,000 students participated. Police, however, estimated the crowd at 12,000 and reported 14 arrests.

Long but Safe Captivity for Hostages Seen

By Jonathan C. Randal
Washington Post Service

TUNIS — The Palestine Liberation Organization's head of security and intelligence has predicted that American and other Western hostages in Lebanon would not be freed "before 1989, but will neither be harmed nor killed."

Saleh Khalef, a deputy to Yasser Arafat, the PLO chairman, said Friday that almost all of the hostages were held by the pro-Iranian Shiite militia called Hezbollah, or Party of God. He said the hostages were being held as "protection" against feared retaliation by the United States, Syria or "any other Arab or non-Arab force."

Mr. Khalef said Hezbollah would not release the hostages before 1989 because by then "they believe they will be so strong that neither the United States nor Syria could eliminate them."

Mr. Khalef said Hezbollah was holding Terry Waite, the Church of England envoy missing in Lebanon, and was "trying to obtain a confession about his role with American intelligence."

Mr. Khalef also noted that President Ronald Reagan's second term ends in January 1989 and that Hezbollah was mindful of Iran's refusal to release the U.S. Embassy hostages in Tehran until Jimmy Carter had left office in 1981.

Analysts and Western diplomats here said they accepted Mr. Khalef's forecast of continued detention for the hostages, including eight Americans.

Moreover, they noted that for years the PLO had passed reliable information on selected aspects of Mideast terrorism to the U.S., French and other Western governments.

Mr. Khalef said, "We should forget about the hostages for a while." He said he had informed the French government — and assumed it had told Washington — not to expect the hostages to be freed for several years.

AP

Saleh Khalef

He denounced recent U.S. attempts to win the hostages' release by shipping arms to Iran as a "fatal mistake" that only "encouraged further hostage taking and turns terrorism into a business," since the kidnapers achieved their objectives.

Mr. Khalef also discouraged American military intervention, which he said he feared would result in "killing the hostages," since "it is not known where they are."

Only Iran could persuade Hezbollah to release the Westerners held hostage in Lebanon before 1989, he said, "but Iran is convinced that the Western hostages are a form of protection."

He said he was convinced that only Hezbollah — and by extension, Iran — were behind the spate of kidnappings and had invented names such as Islamic Jihad, Revolutionary Justice Organization and Islamic Jihad for the Liberation of Palestine to disguise their own involvement.

Mr. Khalef criticized the latter name as "harmful to the PLO because we have taken a clear position against hostage taking or any form of foreign terrorism," an apparent reference to acts of violence against non-Israeli targets.

Mr. Khalef suggested that Hezbollah was so entrenched in Lebanon that Syrian efforts to uproot the extremists would mean striking blindly at — and alienating — all Lebanese Shiites, notably the more moderate, pro-Syrian rivals of the Amal militia.

"The situation is out of hand for Syria," he said.

Moreover, he noted, any Syrian move against Hezbollah would "mean the end of Damascus's relations with Iran," which President Hafez al-Assad of Syria "neither wanted nor could afford" at this point.

Mr. Khalef denied that the PLO maintained organizational links or was on good terms with Hezbollah. But "we have personal sources," he said, and are in "constant contact with good friends" inside the group.

He said he was convinced that all of the hostages were alive, "and take it from me, not one will be killed, because the life of Hezbollah is linked to the lives of the hostages."

Aim of U.S. Raid Was to Kill Gadhafi, Report Says

The Associated Press

NEW YORK — A small group of White House officials planned April's bombing of Libya as a way of killing Moammar Gadhafi, but the attempt failed because guidance systems on some bombers did not work, according to an article published Sunday.

The article, by Seymour Hersh, appeared in The New York Times Magazine.

According to the article, planning for the Libyan attack involved many of the same people who were working on sending arms to Iran, including Vice Admiral John M. Poindexter, who was President Ronald Reagan's national security adviser, and Lieutenant Colonel Oliver L. North, who was a National Security Council staff aide.

The article quoted unidentified sources as saying that Israeli intelligence had pinpointed Colonel Gadhafi's location but that laser guidance systems on four of nine F-111 warplanes failed and the bombs missed.

The Washington Post reported last year that the Reagan administration had hoped to kill Colonel Gadhafi. Administration officials denied then that the Libyan leader's own quarters had been a target.

One administration official, speaking on condition that he not be identified, said Saturday in an interview with The Associated Press that people involved in target planning said the bombs that hit Colonel Gadhafi's compound "were actually aimed at the barracks of his personal guard."

The official said it might be true that lasers failed, but the bombs "were never aimed at his personal compound." The official added that the raid's planners "wouldn't have been upset" if Colonel Gadhafi had been killed.

The Times magazine also reported that William J. Casey, who resigned this month as director of the Central Intelligence Agency, was the source of claims that Colonel Gadhafi had sent out "hit teams" aimed at President Reagan and other officials. The article said some colleagues believed he fabricated those reports.

According to the magazine article, bombing orders given by the White House to the Pentagon did not list Colonel Gadhafi's tent or family home as targets, but one officer said the planes carried photographs indicating where the colonel was and where his family was.

"There's no question they were looking for Gadhafi," said an air force intelligence officer quoted in the article. "It was briefed that way. They were going to kill him."

Other sources said that Colonel Gadhafi's family had been sought out because their deaths would lead to a loss of face for him, in that he could not defend his own family. Colonel Gadhafi's wife and eight children were hospitalized, and the Libyans said his 15-month-old adopted daughter was killed.

Before the bombings, according to a White House official quoted in the article, State Department lawyers began to prepare a legal paper arguing that "in the context of military action what normally would be considered murder is not."

The article said that Mr. Reagan's involvement in action aimed at Colonel Gadhafi was not clear.

The magazine said Colonel North proposed other measures, including the use of the Stealth bomber; the launching of a conventionally armed Tomahawk cruise missile by a submarine; and a landing by a navy team that would use a laser to direct bombs to Colonel Gadhafi. All the proposals were rejected, the article said.

■ Thatcher Urged to Reply

Members of Britain's opposition Labor Party urged Sunday that Prime Minister Margaret Thatcher reply to Mr. Hersh's article, Reuters reported from London.

They said that if the article were true, Mrs. Thatcher must have been aware that Colonel Gadhafi was a target. U.S. F-111s based in Suffolk were used in the raids.

Iraqi Air Raids Resume As Iran Reports Victory

Agence France-Presse

TEHRAN — Iraqi aircraft bombed and damaged an Iranian telecommunications station Sunday near Karaj, 25 miles (40 kilometers) west of Tehran, Iranian television reported.

It was the first reported Iraqi bombing inside Iran since Iraq announced a two-week halt in air raids on Iranian cities Thursday.

The official Iranian press agency reported earlier Sunday that Iran's Islamic Revolutionary Guards Corps had captured the strategic Azim pond, north of Iraq's southern port city of Basra.

The agency said the Revolutionary Guards had launched a two-pronged attack south of Chazzabeh and had taken control of 11 square miles (30 square kilometers) of marshland about 100 miles north of Basra.

In Baghdad, an Iraqi military spokesman denied the Iranian claim, saying no fighting had occurred in the area mentioned by Tehran.

■ Report on Iraqi Air Losses

David B. Ottaway of the Washington Post reported earlier from Washington:

Iraq has lost 45 to 50 warplanes, roughly 10 percent of its air force, since Iran began its latest offensive Dec. 24, the Iraqi authorities have told Representative Robert G. Torricelli, Democrat of New Jersey, who has just returned from Baghdad.

The estimate of downed Iraqi aircraft is by far the highest provided by the Iraqi government to any outsider. A Defense Department spokesman said he could not confirm the reported Iraqi air losses.

The figure would tend to support press reports from the battlefront that the secret shipment of U.S.-made Hawk anti-aircraft missiles to Iran had considerably improved Iran air defenses.

Mr. Torricelli, who met with Iraq's foreign and defense ministers, said the Iraqis were convinced that the Iranians were using improved Hawk missiles, known as I-Hawks, because the accuracy of their firing had increased during the latest fighting.

He said the Iraqis asked him about the possibility of obtaining artillery range finders from the U.S. government, a weapon used to locate the position of enemy fire.

"I told them it wasn't possible," he said in an interview.

Nicaragua, in Shift, to Consider Costa Rica Plan

By Stephen Kinzer
New York Times Service

NIQUINOHOMO, Nicaragua — President Daniel Ortega Saavedra says that Nicaragua is now willing to consider a regional peace plan proposed last month by President Oscar Arias Sánchez of Costa Rica.

Mr. Ortega's comments marked a reversal of earlier Nicaraguan statements condemning the plan as a ruse designed by the Reagan administration.

In a speech Saturday opening the 1987 legislative session, Mr. Ortega said he supported the principle of "Central American dialogue." He said, "Understanding and coexistence among brothers is possible when national and regional interests prevail, not the interests of the hegemonic power."

Mr. Ortega's comments came a day after he told foreign diplomats that he was prepared to attend a meeting scheduled for mid-May at which Central American presidents are to discuss the Arias plan.

When the peace plan was first put forward in Costa Rica last month, Nicaraguan officials portrayed it as an attack on their government.

A Foreign Ministry communiqué called the plan "truly lamentable" and said countries that backed it were betraying their principles and becoming "neocolonies of the United States in Central America."

As currently written, the Arias plan would require all Central American countries to guarantee "full observance of civil rights" and "real pluralistic and democratic processes." It would require free elections overseen by foreign teams but would allow every president now in office to finish his current term.

Diplomats said that to comply with these clauses, Nicaragua would have to lift its state of emergency, which restricts many civil liberties. Nicaraguan leaders consider the state of emergency essential for maintaining public order and security.

On Saturday, Mr. Ortega said the state of emergency could be lifted only "if the Reagan administration stops its war of aggression against the people of Nicaragua." In the past, the Sandinist government has also rejected the presence of official foreign election monitors.

But despite these reservations about the Arias plan, Nicaraguan leaders apparently have come to believe that it may contain positive elements.

As the plan is currently written, all outside funding of rebel groups in Central America would be forbidden.

Unlike the Contadora peace proposal, which has been in negotiation for more than four years, the Arias plan would not require any Central American country to reduce the size of its military forces or its weapons stocks.

American officials have privately expressed strong reservations about the proposal, according to diplomats.

The diplomats said the Reagan administration is not prepared to halt aid to Nicaraguan rebels without major concessions from the Nicaraguan government.

"The Sandinists now understand, as they did not a week ago, that this plan was not made in Washington by any means," said one ambassador. "The more they look at it, the more they think they may be able to fix it so that it becomes something they could live with."

Officials of the Nicaraguan Foreign Ministry are expected to join counterparts from other Central American countries in the coming weeks to debate details in the plan that will be discussed at the presidential meeting in May.

AP

Daniel Ortega Saavedra

U.S. Will Expand Military Exercises In Latin America

New York Times Service

QUARRY HEIGHTS, Panama — The commander of U.S. forces in Latin America, General John R. Galvin, says he plans to expand the U.S. military presence in his region next year.

He also said the 20,000 Nicaraguan rebels could win ultimately if they received sustained support.

"Our problem in this is our American impatience and lack of understanding of what an insurgency is in its essence," he said.

General Galvin said the military presence in his area of responsibility, which includes 17 Latin American nations, would be expanded by conducting maneuvers in twice as many nations as in recent years.

"We would be doing them with practically every country in Latin America," he said Friday.

WORLD BRIEFS

Argentina Orders New Rights Trials

BUENOS AIRES (Reuters) — Argentine courts have ordered trials for at least 100 military officers accused of human rights abuses, narrowly beating a midnight deadline to end new trials for such offenses committed under military rule.

The officers are charged with murder, torture and other crimes during the eight-year military regime that ended in 1983. Courts around the country have also ordered trials for about 50 police officers and civilians for rights abuses, local news agencies reported Sunday.

President Raúl Alfonsín proposed the deadline on prosecutions in December as a way of lifting the "unending suspicion" hanging over the armed forces. It has met strident opposition from human rights groups and leftist political parties, which staged a protest march by 30,000 people in Buenos Aires on Friday. They say that despite the flurry of new trials, the deadline will leave hundreds and perhaps thousands of guilty military officers free from prosecution.

Sakharov Demands Activist's Release

MOSCOW (UPI) — Andrei D. Sakharov demanded Sunday the release of a well-known Soviet human rights activist and warned that the Soviet leader, Mikhail S. Gorbachev, would not be taken seriously if dissidents remained in prison.

Mr. Sakharov, who was freed in December after seven years of internal exile, said that Genrikh Altunian, 53, had been refused a pardon because he would not guarantee to not resume his former activities.

"Altunian was one of the first people to tell the world about violations of human rights, from a moral point of view," Mr. Sakharov said. "This is everyone's affair." Mr. Altunian was jailed for three years in 1969 for his work as a human rights activist. He was arrested again in 1980 and sentenced to seven years in a labor camp and five years of internal exile.

Maputo Reports Major Rebel Attack

MAPUTO, Mozambique (Reuters) — Rebels killed about 50 people in a guerrilla attack on the main tea-producing center in northern Mozambique, the Mozambique news agency reported Sunday.

They destroyed much of the equipment at five factories that had recently been rehabilitated at a cost of about $30 million, the agency said. The attack at Mueapagina, in Zambezia Province, about 100 miles (162 kilometers) east of the Malawi border, began on Feb. 12.

The agency said that the army had regained control of the area but that some of the factories were still burning on Friday.

Israel Offer to Raid Reactor Reported

TEL AVIV (AP) — Israel went to India three times to propose a joint attack on Pakistan's nuclear weapons reactor but was turned down each time, according to a report in the Jerusalem Post.

The front-page report by the newspaper's London correspondent, David Horowitz, quoted unidentified "top-level political analysts" in London. The report said that the proposals were made in recent years but did not elaborate.

The Indian Air Force is not capable of bombing the reactor at Kahuta outside Islamabad, Pakistan, with sufficient accuracy to ensure its destruction, but the Israeli Air Force could do the job, the analysts were quoted as saying. The report said that Israel was provided with detailed satellite photographs and other top-secret U.S. intelligence concerning the plant by Jonathan Jay Pollard, the U.S. civilian naval intelligence analyst convicted of spying for Israel.

Transkei Detains an AFP Reporter

JOHANNESBURG (AFP) — Security police in the nominally independent tribal homeland of Transkei have detained a South African journalist working for Agence France-Presse, a spokesman for the Transkei police said Sunday.

The spokesman would only say that the reporter, Graham Brown, 39, had been detained by the security police on Saturday. He refused to elaborate, referring questions to the security branch, which could not be reached for comment.

Mr. Brown was in Transkei covering the aftermath of an attempted coup Thursday in Ciskei, one of four homelands along with Transkei that have been designated independent by South Africa but that are not recognized by any other government. Ciskei accused Transkei officials of backing the coup attempt.

Israel Shuts 2 Palestinian Universities

JERUSALEM (Reuters) — Israeli authorities closed two Palestinian universities Sunday in the occupied West Bank and Gaza Strip after anti-Israel protests in which Palestinians said seven students were injured and 131 arrested.

The army denied there were arrests or injuries. It said it had closed Islamic University in Hebron until March 15 because of demonstrations there last week and had closed Gaza University for 10 days after demonstrations Saturday.

A witness from a nearby United Nations office said the protests at Gaza University, where 4,500 Palestinians are enrolled, began after Israeli troops arrested a number of students and had them line up with their hands on their heads. Other students set tires ablaze and shouted slogans. Israeli soldiers used water cannon to disperse the demonstrators.

For the Record

More than 80 percent of Ethiopia's electors voted "yes" in a national referendum Feb. 1 on a constitution transforming the country into a people's democratic republic, Lieutenant Colonel Mengistu Haile Mariam, the head of state, announced Saturday. *(AFP)*

The Pakistani foreign minister, Sahibzada Yaqub Khan, arrived Sunday in Moscow for talks three days before negotiations on ending the war in Afghanistan resume in Geneva, the Tass press agency reported. *(UPI)*

In Chicago, a Divisive Democratic Primary Matches the Storms on Lake Michigan

By Andrew H. Malcolm
New York Times Service

CHICAGO — The mountainous waves of a brimming Lake Michigan that pounded this city's lakefront in recent weeks could serve as an apt symbol of Chicago's political season.

For while the wind-driven water washed over the beaches, backyards and a few streets, politicians swept back and forth across the crucial wards lining the same lakefront. The challengers for mayor denounced municipal inaction that they said permitted the lake to overflow in an affluent area. The mayor took credit for reopening the area's flooded roadways.

But all the braving of crashing waves for the television cameras underscored an unstated theme: Chicago's affluent, liberal lakefront residential areas, once largely scorned by machine politicians as powerless and effete, have become the crucial battleground in the Democratic primary election for mayor on Tuesday.

The bitter battle pits Harold Washington, Chicago's first black mayor, against former Mayor Jane M. Byrne, Chicago's first woman to become mayor, in what has become one of the most confused political scenes in recent memory here.

For nearly 50 years, victory in Chicago's winter Democratic primary was tantamount to victory in the ensuing April general election because of the strength of the old political machine. But this time the survivor of the multimillion-dollar primary struggle will win only the right to spend the next six weeks in another campaign against an array of candidates, most of them Democrats in third-party clothing.

The contestants in the April 7 general election also include Thomas C. Hynes, the Cook County assessor, a Democrat running under the Chicago First Party banner; Edward R. Vrdolyak, who remains Cook County Democratic chairman although he is running on the Illinois Solidarity Party ticket; and probably Donald H. Haider, a former Democrat who is favored to defeat several political unknowns Tuesday to win the Republican mayoral nomination.

Former Mayor Jane M. Byrne: a bet on lakefront vote. Polls show large numbers there undecided.

Mayor Harold Washington of Chicago: in bitter battle. He is counting on rallies to turn out supporters.

WP

Sheila Jones, who is a supporter of Lyndon H. Larouche Jr., the presidential candidate and conspiracy theorist, is also a candidate in the Democratic primary.

The political importance this year of Chicago's lakefront areas lies in the fractured world of Chicago's political fiefdoms.

Most of the city's wards are part of some faction whose political prince can more or less deliver its Democratic votes according to the ally of the moment. But the lakefront, with its well-deserved reputation for unpredictable independence, offers the most opportunity for gains.

This political independence is especially strong in primary elections when, according to Illinois law, voters can declare their party affiliation anew every election day, making it easy for Republicans or independents to cross over.

Mrs. Byrne, who won her own insurgent victory in a primary in 1979, is counting heavily on the lakefront, where she prevailed in the three-way primary that she lost four years ago to Mr. Washington.

Post-election polls then showed many voters made up their minds at the last moment.

This campaign's public polls have given Mr. Washington a consistent lead, prompting fears of complacency in his camp. Mrs. Byrne says her private polls have the race neck-and-neck.

All the polls, however, have shown an unusually large number of undecided voters, some as high as 20 percent, on the lakefront.

This could be revealing of another phenomenon in Chicago, a city long run tightly by a political machine that had many ways to make opponents pay for their opposition. In the past, many Chicago voters have been reluctant to reveal their true political inclination to anyone.

Mr. Washington, who is trying to become the first incumbent mayor to win reelection here since Richard J. Daley's death 11 years ago, is concentrating on larger political rallies in the campaign's waning days, seeking to stoke his workers' enthusiasm and assure a massive turnout of his virtually monolithic support in the city's black community.

Most published polls show him winning at least 96 percent of the black vote, which is now about 40 percent of the 1.5 million registered voters.

He has emphasized his reform work, drawing women and Hispanics into government, and claims a fiscal integrity, a popular point on the lakefront.

Mrs. Byrne has hit hard on rising crime rates, an issue that seems to cut across ward boundaries, and charges that Mr. Washington's term and tactics have divided this city of three million along racial lines.

Mrs. Byrne has vowed to support the winner of the Democratic primary if she loses. Mr. Washington has not.

Antibiotics in Livestock Said to Harm Humans

By Irvin Molotsky
New York Times Service

WASHINGTON — Scientists from the federal Centers for Disease Control have come up with new evidence linking antibiotics in animal feed with illness in humans.

Antibiotics are fed to most livestock in the United States to fend off disease and promote growth. But in recent years scientists have contended that strains of salmonella bacteria that are resistant to the drugs can flourish inside the animals as competing organisms are killed off.

The resistant salmonella can then cause severe intestinal ailments in people who eat contaminated meat. Treatment is difficult because the antibiotics ordinarily used in treatment are ineffective, the scientists say.

According to a draft of the study, to be published in The New England Journal of Medicine on March 5, the findings demonstrated "conclusively" that salmonella was spread to humans in this way. "These studies show that food animals are a major source of antimicrobial-resistant salmonella infections in humans," the report said.

The study is expected to have a significant impact in the debate over the use of antibiotics in animal feed both because it is to appear in one of the country's leading medical journals and because it will put the weight of the government's top epidemiologists behind the contention that giving antibiotics to animals can harm humans.

The report, by a research team headed by Dr. John S. Spika, has been awaited in Congress, where bills barring the routine feeding of antibiotics to animals are to be reintroduced. It is also of great interest to the Food and Drug Administration, which once tried to ban such antibiotics use, and to the food and chemical industries, for which the use of antibiotics has enormous economic significance.

Antibiotics permit animals to make more efficient use of their feed, thus improving growth, and also protect livestock against the rapid spread of disease in the close quarters prevalent in modern animal raising.

Among the antibiotics most frequently used in animal feed are penicillin and tetracycline, which are also prescribed frequently for human illnesses. But these medicines are ineffective against diseases caused by resistant strains of bacteria that develop in animals fed with the drugs.

The federal study said in its conclusion that cooking, especially the light cooking of beef, does not kill all the salmonella organisms.

"The problem is complex and no one solution is apparent," the study said. "Efforts must be taken to minimize the contamination of meat and other food items by resistant salmonella."

One congressional aide said that the significance of the report was in its careful tracing of salmonella from farms to sick people, a process that ruled out the possibility that the food was contaminated in processing and transporting.

The report, for example, cites an outbreak of salmonella in May 1985 in Los Angeles, saying, "We epidemiologically and microbiologically incriminated hamburgers as the vehicle of transmission and traced the strain back to the dairy farms of origin, identifying a major, persisting reservoir for drug-resistant salmonella in California."

AMERICAN TOPICS

Japanese Are Changing Face of the Middle West

The Middle West is getting not only Japanese-owned factories, but Japanese executives to go with them. And with the executives come their families. The New York Times reports that thousands of Japanese, most of them on two-year tours, are settling in hamlets to avoid big-city crime, scattering to avoid appearing clannish and marching in local parades or contributing to charity drives to win over the curious and the skeptical.

About 15,000 Japanese nationals are temporarily in the Middle West, nearly twice the number of a decade ago, according to the Japanese Consulate in Chicago. Many more are expected as construction begins on a Fuji-Isuzu automobile plant in Lafayette, Indiana, and as Japanese makers of automobile components set up offices near existing auto plants.

Daily nonstop flights between Detroit and Tokyo will begin in May. A monthly Japanese newspaper, Japan Detroit Press, started there in April 1986.

The Japanese are aware that Vincent Chin, a Chinese-American, was beaten to death in Detroit five years ago by two laid-off auto workers who said they thought that he was Japanese. The newcomers seldom venture into the city, preferring the relative safety of small towns and suburbs.

"We're getting more and more Japanese products," said Toni Golden, a clerk at a supermarket near the new Mazda automobile plant southwest of Detroit. "We got the chopsticks, we got the rice, we got the soy sauce. I think it's very exciting."

Notes About People

Vernon E. Walters, the chief U.S. delegate at the United Nations, has his own system for establishing contact with representatives of hostile countries on neutral territory, like UN cocktail parties: "I nod to them twice. When they don't nod back, I give up."

Lieutenant General **James A. Abrahamson**, director of the Strategic Defense Initiative Organization, is said to be vexed with one of its contractors. The Washington Post says Martin Marietta gave the name R2P2 to a new Denver installation for space tracking. The name resembles the R2D2 robot character in the film "Star Wars," which SDI does not like being compared to. A Martin Marietta spokesman, citing the fondness of engineers for abbreviation, said the formal name is "Rapid Retargeting Precision Pointing," which yields R-squared, P-squared, or R2P2.

The playwright **Arthur Miller** told The New York Times that "to be an actor or an actress is to be in a very vulnerable position" and that his second wife, Marilyn Monroe, "was just the most pathetic and the most known" of acting's victims. He said that when she died at 36 in 1962 of an overdose of sleeping pills, well after they were divorced, "I can't say I was absolutely surprised, but I was horrified. I knew she had been playing Russian roulette all her life. There was no way I could help her. It's a failing in me, no doubt, but it's also a failing in every other human being she ever came in contact with. That's what tragedy is and that's why it is so unacceptable."

Short Takes

The United Way, combining several charity drives, went in for shock effect last fall in Burlington, Vermont. A series of posters depicted such scenes as a battered child, a boy emerging from a house window with goods he had stolen and a pale, elderly man sitting alone in a kitchen, eating dog food. "The bad news," said David Demers, the drive's executive director, "is that we did not make our goal. The good news is that we raised 5.7 percent more than the year before." The goal was $3 million; the drive raised $2,885,000.

Horseback patrol is a much-prized assignment for 145 of New York City's 25,000 police officers. They take a five-to eight-week course in horsemanship, crime prevention on horseback, crowd control and public relations. "We learn to jump, too," said Officer Thomas Dinkelacker. "A garbage can could roll into the street, and you'd have to go over it." Why do the mounted police always have plenty of volunteers? For one thing, members of the unit say, they like horses. For another, as Officer Kenneth Haas said, "People like you for a change."

The Washington bureau of The New York Times reports that a disheveled man with his hand out on a street corner of the capital stared at the dime a passer-by had given him, then turned to an equally disheveled companion to remark, "Man, we got to find some new way to panhandle."

—ARTHUR HIGBEE

Nunn Bars Presidential Bid, for Now

New York Times Service

ATLANTA — Senator Sam Nunn of Georgia has decided to remove himself from the race for the Democratic presidential nomination, but he refused to rule out the possibility of changing his mind later.

"I'm going to keep my options completely open," said Mr. Nunn, a Democrat who is chairman of the Senate Armed Services Committee, in a speech Friday.

He has been under heavy pressure from centrist and conservative Democrats to seek the nomination.

He said: "I know that if I tried to take on a presidential race in the next six months and also to perform my duties in the Senate, I would wind up doing neither job well."

Swedish Party Names Leader

Reuters

STOCKHOLM — Sweden's opposition Center Party chose Olof Johansson, 49, as its new leader on Saturday.

Greece Protests Cyprus Remarks By Weinberger

New York Times Service

ATHENS — Greece says it has postponed a visit to Washington by its defense minister and protested a recent statement by the U.S. secretary of defense, Caspar W. Weinberger, that it viewed as supporting Turkish interests over its own in Cyprus.

Mr. Weinberger said Thursday in testimony before the House Foreign Affairs Committee that U.S. military aid to Turkey was intended for defensive purposes only but that Congress had permitted Turkey to station U.S.-supplied arms on Cyprus since 1978, when it repealed a 1974 law blocking aid to Turkey.

A statement by Prime Minister Andreas Papandreou, issued Saturday, said that Mr. Weinberger "provokes disgust among the Greek people."

A government spokesman added that Mr. Weinberger's remarks had been "interpreted by the Greek government as tantamount to approval of the Turkish invasion and occupation of Cyprus."

In Washington, a Pentagon spokeswoman said she had no comment on the postponement of the visit by the Greek defense minister, Yannis Charalambopoulos.

The visit had been scheduled for March 9.

Canada Tightens Rules On Entry of Refugees

By Kenneth Freed
Los Angeles Times Service

TORONTO — Canada has issued strict rules ending a program of automatic admission to foreigners claiming political refugee status.

Immigration Minister Benoit Bouchard, announcing the restrictions Friday at a press conference in Ottawa, said that a sudden surge of refugees, mostly from Central and South America, was threatening to overwhelm Canada's social services.

He said that "we want a positive immigration program that permits the orderly entry of immigrants, but we cannot maintain such a program if we allow abuse of our refugee program to continue."

The Canadian government has in the past lectured other countries for their restrictive immigration policies. However, partly due to its self-made image as a haven for the persecuted and as a reaction to U.S. restrictions on immigrants, Canada has experienced a large increase in the number of people claiming refugee status on the ground that they would be endangered if forced to return home.

According to the Immigration Ministry, 6,120 people sought emergency refugee status in Canada between Jan. 1 and Feb. 15. Another 3,000 sought entry in December.

Last year, 18,282 refugees sought emergency entry. If this year's trend had continued, Canada would have received 48,560 refugee requests, more than the total for the entire period from 1980 to 1986.

The new rules eliminate the automatic entry of people from 18 so-called B-1 countries — those nations where, in Canada's judgment, civil strife or political or religious persecution could endanger the lives of refugees if they returned. The restrictions went into effect immediately.

The list includes El Salvador, Guatemala, Chile, Sri Lanka, most East European nations and other Communist countries.

Salvadorans recently have topped the list of refugees entering Canada, with 2,294 seeking political asylum in the first six weeks of this year. The high total has been attributed to Salvadoran refugees' fears that they would be deported to El Salvador under new and tighter U.S. immigration laws.

Chileans were the next most numerous, with 1,010, followed by 600 Guatemalans. Other sizable refugees groups were Tamils from Sri Lanka and Iranians.

Government officials said that Mr. Bouchard's views on the refugee problem were based on estimates that 75 percent of the claims for refugee status made last year in Canada were bogus and that the same rate was holding so far this year.

Chinese Will Launch 2d U.S. Satellite in '88

Reuters

BEIJING — China has signed a contract to launch a U.S. communications satellite, in 1988, the official Xinhua press agency reported Sunday.

The agency said China signed the contract with Pan American Pacific Satellite Corp. to put a satellite into geostationary orbit. A satellite launch for the U.S. company, Terasat Inc., is also scheduled for 1988.

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Dismount That Summit

To go beyond their Iceland summit meeting, Ronald Reagan and Mikhail Gorbachev have to retreat to where they were before that fateful meeting. Reykjavik now blocks the way to useful arms limitations with grand illusions about space-based defenses and a world without nuclear weapons.

In both countries now, experts talk about how to get back on the more modest, sensible track available before Reykjavik. The first step must come from the two leaders. That should not be hard, for their own, differing interests lead precisely in that direction.

Before Reykjavik, the superpowers were verging on an agreement to sharply reduce their offensive forces in return for reaffirming certain limits on defenses. At Reykjavik, perhaps carried away by the moment, Mr. Reagan proposed eliminating all ballistic missiles. Mr. Gorbachev, perhaps seeing a propaganda opening, countered with the idea of destroying all nuclear weapons. Surprisingly and regrettably, Mr. Reagan assented in some fashion.

The Pentagon's arms control expert, Richard Perle, rightly calls this "the foolishness of a nuclear-free world." In such a world, he said in a recent speech in Europe, it would not just be very difficult to verify total elimination, but impossible. When both sides have thousands of nuclear weapons, cheating means practically nothing. Without them, even a little cheating would be decisive.

Moscow now appears to realize that the idea will not fly. Soviet officials privately propose to destroy all nuclear weapons except 100 intermediate-range missiles plus tactical or battlefield nuclear weapons, which eventually would be eliminated as part of negotiations on conventional-force reduction. But even these modifications do not much answer the objections. Successful cheating to retain some long-range nuclear weapons still would prove critical. That Moscow continues to press these schemes raises questions about its seriousness.

Mr. Reagan needs to backtrack on his idea, eliminating ballistic missiles. That would leave only bombers and cruise missiles. The United States has only a few hundred operational strategic bombers, and they would be highly vulnerable to a surprise attack by "illegal" ballistic missiles. Sea-launched cruise missiles would have to be fired from near Soviet shores, where the submarines would be in danger of detection.

An equal obstacle is Mr. Reagan's vision of space-based defenses. He seems so possessed by the remote possibility of rendering nuclear weapons "impotent and obsolete" that he ignores Moscow's offer to halve its nuclear forces now. At Reykjavik, he agreed to delay SDI deployments for 10 years. That needs to be reaffirmed and, contrary to Mr. Reagan's new instructions and Soviet attitudes, the sides have to get down to talks about what kind of research should be permitted in the interim.

As the former U.S. defense secretary, James Schlesinger, wrote in Foreign Affairs magazine, Mr. Gorbachev "blundered in failing to seize upon the president's acceptance" of strategic disarmament, thus making the summit only "a near disaster." But at this point, both men have good reason to put that meeting behind them.

Mr. Reagan knows he cannot monitor a nuclear-free world or trust the Soviet Union to observe it. He knows the allies will not put up the money to establish a balance of non-nuclear forces. He knows Congress and the allies strongly oppose his grandiose ideas. And in this season of crisis, he cannot fail to realize how much good an arms control breakthrough would do his political, and historical, standing.

Mr. Gorbachev has scored his propaganda points. He also seems to realize that Mr. Reagan, hero of the right, is uniquely qualified to deliver a U.S. arms control consensus. If the Soviet leader wants an arms pact that can free resources for the Russian economy, now is the time to offer realistic proposals.

It is time to get back to the future, back before illusions, back before Reykjavik.

—THE NEW YORK TIMES.

Chaos in the White House

What has been progressively demonstrated in the unfolding story of the Reagan administration's dealings with Iran and the rest of the backstairs drama is also being demonstrated in the story of its conduct since the arms deal was first revealed: an anarchic, fragmented, every-opportunist-for-himself way of doing business. As incredible as much of the Iran and funds-for-the-contras (and who-knows-who-all-else) events are, even more incredible, and destructive, has been the reaction to it in high places. Not just of the evidence of cover-up efforts that Congressional and Tower Commission investigators have apparently unearthed, but of the intensely self-serving nature of the responses of so many of those at the top.

From day one, Nov. 4, it has been like that. President Ronald Reagan was badly and defensively briefed for his first two public accountings of the affair, one a television address and the other a press conference, by aides who knew they were giving him false information, so that he stood right up there and made statements that were untrue.

Did Mr. Reagan know this too? That is one large question that remains. Although there has been a widespread, condescending tendency to assume that he was merely duped by wily advisers or that he never quite understood what he was doing, the possibility remains that he knew very well, both at those moments when he professed to be explaining the true story and when he was engaged in the policy that got his administration into so much trouble. This is something the Tower Commission presumably will shed some light on. What hardly needs more light, at least so far as understanding the essential truth is concerned, is the behavior of his top White House assistants and partners in the debacle: It has been disgusting.

Two, Colonel Oliver North and Admiral John Poindexter, have retreated into self-protective silence after evidently trying to fiddle with the truth of the revelations. It is not yet clear whose version, or which of the versions offered by the former national security adviser, Robert McFarlane, was the right one as to the time and forthrightness of the president's approval of the shipment of arms to Iran. Meanwhile, the level of sniping and internecine struggle over who gets blamed has reached a decline-of-Rome level.

Donald Regan, arguably the worst White House chief of staff ever, has of course been at the center of much of this. From the start he has been casual, even cavalier about the interests of the president he is alleged to represent, but absolutely dogged in trying to justify, defend and glorify himself.

Would that Donald Regan had shown half as much energy and commitment in the defense of the president as he has shown in the protection of his own turf. By that we do not mean that he should have been trying to cook the evidence or rearrange it so as to distort Mr. Reagan's role in all of this or to dump it on scapegoats. True defense of the president, of his best interests, would have involved making sure, in a personally disinterested way, that the facts came out quickly, fully and in an orderly fashion, that the president was not led into the propagation of falsehoods — in short, that the administration responded to this seriously and in a way that might inspire or restore confidence.

How different it has been. Still, we do not blame Mr. Regan, as appalling and self-absorbed as his actions have been, for the plight of Mr. Reagan. We blame Mr. Reagan for continuing to leave things in the hands of Donald Regan. The president is responsible for the chief of staff, and not the other way around. Maybe this will soon become plain to the president. Maybe, as the rumors go, Donald Regan is at last planning to leave. But in the period from Nov. 4 till now, this administration, by its reaction, has greatly compounded the trouble it is in, and the loss of confidence in it at home and abroad.

— THE WASHINGTON POST.

Haughey's Mixed Victory

It was the economy, not the "national question," that mattered most in Ireland's election last week. Voters clearly blamed Prime Minister Garret FitzGerald for bad times and a jobless rate now second worst in the European Community. His defeat was not a repudiation of his government's landmark agreement with Britain on Northern Ireland. That is borne out by former Prime Minister Charles Haughey's careful handling of the issue in his political comeback. Not incidentally, his party won fewer votes than in 1982, and is three seats short of a majority.

Mr. Haughey has always played to the green, or nationalist, side of the Irish electorate. But times change, and old issues dating to the Easter Rebellion no longer stir the blood. Sensing the shift, Mr. Haughey has been robustly equivocal about his rival's accord with Prime Minister Margaret Thatcher. The agreement gives the Irish Republic a consultative role in Ulster, while accepting British rule as long as a majority there wishes. Some days, Mr. Haughey worried that the deal was unconstitutional; on others he guessed it did some good for Ulster's oppressed Catholics. What he really wanted was summed up in his party's slogan: "Only single-party government can work for you."

It did not work at the polls. The biggest gainer was a new party, the Progressive Democrats, formed just 14 months ago by five defectors from Mr. Haughey's Fianna Fail, all re-elected along with nine new members. The new party is right-of-center, yuppie in spirit, and explicitly rejects the old irredentist issues. The two other parties — Mr. FitzGerald's Fine Gael and the Labor Party — also play down ancient divisions. Yet, incredibly, there are reports that Mr. Haughey might denounce the agreement with Britain to form a majority with a handful of extremists in Parliament.

It is hard to believe that any politician who cared for his party and country would do anything so sordid. During his campaign, after all, Mr. Haughey said that if elected he would regard the agreement with Britain as a binding treaty. To dishonor that promise would be to spite not only Britain but the U.S. Congress, which overwhelmingly endorsed the accord. Let Mr. Haughey swiftly set these doubts to rest.

— THE NEW YORK TIMES.

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OPINION

American 'Competitiveness' Is Out of Style

By Michael Elliott

WASHINGTON — Members of the U.S. Congress are not paid to wonder why American kitchen appliances are square and faced in imitation wood with push-button controls, while those from West Germany are curved and made of white plastic with dials. But since nobody else appears to worry about what goes on in the kitchen, the denizens of Capitol Hill might as well have a go at it. They will learn at least as much from that inquiry as they will from all the nonsense they are now hearing about American "competitiveness."

And what nonsense much of it is. Within the last two months, competitiveness has been used to justify more funding for the Strategic Defense Initiative, natural-gas deregulation, the protection of U.S. industry from international competition, a national crusade for better schools and much, much more. Liberal Democrats and conservative Republicans alike preach its virtues; free-traders and protectionists wrap themselves in its aura.

Two broad approaches to competitiveness are being espoused. On the one side are those, including many in the administration, who argue that America's problems are a function of macroeconomics, particularly the relative prices of different currencies. Change the macroeconomic picture, and all will be well. On the other side are those, including many Democrats, who think that more is required. U.S. productivity — the amount of widgets that can be produced for a given amount of labor and capital — is, they say, sluggish by comparison with that of Japan, other Pacific rim countries and Western Europe. Improve productivity and everything will come up roses.

As is usually the case in economics, neither is wholly wrong nor wholly right.

Take the Democratic argument first. This, simply put, has little to do with competitiveness and much to do with restoring jobs, especially jobs in manufacturing industries, which, it is argued, have been lost to imports from abroad. Jobs have indeed been lost. Employment in manufacturing has shrunk from about 31 percent of the work force in 1960 to a little less than 20 percent at present. It would be foolish to deny that some jobs have been lost to foreign competition. But we know for certain that manufacturing's contribution to gross domestic product has remained remarkably constant, at about 22 to 23 percent, for 25 years. The reason it has done so is because manufacturing productivity has improved. Through new technology and better management, fewer workers now can make more widgets. According to this year's economic report to the president, manufacturing productivity grew by 3.8 percent between 1981 and 1986, compared with an average rate of just 2.6 percent since 1946.

Does this mean that America does not have a productivity problem? Of course not. All it means is that the economy has created lots of new jobs in the service sector, where productivity growth is just about flat, for reasons which economists, if they are honest, had better admit they do not understand. What we do know is that, despite the way that official figures underestimate international trade in services, the most important part of America's exports will continue to be in manufactured goods — those goods, in other words, where productivity gains are already real and sustained.

So if America's problems in the world economy are not to be solved by concentrating on productivity, what about the macroeconomic factors? The administration likes to argue (or at least it does now — it did not use to) that the strength of the dollar between 1981 and 1985 made American goods more expensive abroad and foreign goods cheaper here. Here, too, there is an obvious truth mixed up with some oddities. Consider first what would be the effects of economic expansion — as urged by the administration in hopes of bolstering U.S. economic performance — in other countries. In October, Wharton Econometrics, a respectable consulting firm, estimated that a 1 percent drop in interest rates in West Germany would reduce the U.S. trade deficit by $1 billion. The same cut in Japan would shave $3 billion off the deficit. The deficit, remember, is nearly $170 billion. Thanks very much.

Next, note that if the trade balance was simply a function of exchange rates, exports of U.S. goods and imports of foreign ones could be expected to track the changing value of the dollar quite closely. After a delay, known to economists as the J-curve effect, a cheaper dollar would lead to higher exports, an expensive dollar to higher imports. Yet for many commodities — cars, consumer durables, and expensive capital goods among them — the ratio of imports to domestically produced goods has risen since the mid-1960s, no matter what has happened to the status of the dollar.

Economists can find any number of reasons for that. The dollar may not have dropped against the currencies of some major trading partners, as it has not dropped, in the last year, against the South Korean won or the Hong Kong dollar. Or foreign companies may hike their prices when the dollar is strong. That gives them a cushion which they can use to take low profit margins, but maintain their market share, when the dollar is weak. The trouble with these economic explanations is that they leave out of account the commonsense evidence. When the eyes glaze over at economic theories, the sensible remedy is to watch network television. Anybody who thinks that the Japanese sell cars in the United States because they are cheap has been away from prime time for years. They sell their cars because they look good and last well.

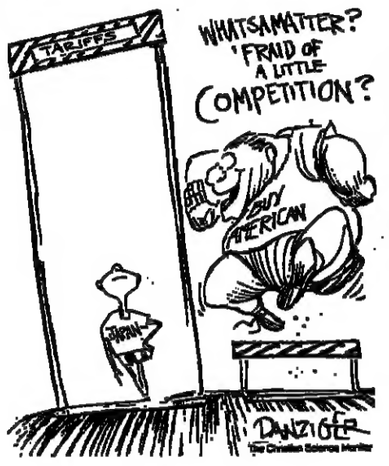
At this point in the argument, another buzzword, every bit as unhelpful as competitiveness, gets introduced. This is "quality." Everyone is in favor of quality, and thinks that American goods should have more of it. But unless the concept is broken down into more easily understood components, we are at a loss for any policy prescriptions.

My guess is that the first thing that any foreigner notices when he wants to buy an American product is its design. There can be no country in the world where so many goods look so old-fashioned and dowdy; no country where the craft of industrial design has such a low status. Not Italy, Germany, France, Japan or even England. The last significant American export earner I can think of that came out of a design school was the rock band, Talking Heads. The last piece of American consumer design that any foreigner would be proud to own was the yellow power-necktie. Fine in its way, but a slim reed on which to hang an industrial future.

All this can be easily dismissed as the subjective views of one foreigner. But I wonder. "European" has become an adjective that does not just mean "from Europe;" it means chic and stylish. Absurdly, one of Detroit's new offerings is called the Eurosport. Besides, all the evidence is that American consumers are more educated, better traveled, more aware of foreign tastes and more demanding in the kind of goods they buy than ever before. That is not just a yuppie trait. American consumers — all American consumers — like foreign goods. That must be, in large part, because they look nice.

So what to do? Improve productivity in the service sector, of course. Coordinate exchange rates, by all means. But a true competitiveness policy would encompass much more. It would support art and design students, send its managers to Hong Kong, Milan, London and Frankfurt, and do everything it could to encourage in its youngsters (you can forget anyone over 25) a sense of style. None of this has much to do with Washington's current obsession. But it goes some way to explaining why, before you read this article, you made your morning coffee on a German machine.

The writer is a Washington correspondent for The Economist. He contributed this comment to The Washington Post.



This 'Peace' Lies Uneasy Over Israel

By Jim Hoagland

JERUSALEM — "What I fear is that people are becoming sick and tired of the Arab-Israeli conflict," Yehoshafat Harkabi said, as if he were reading my mind. "I fear we are witnessing the marginalization of the Middle East, where everyone concludes that the problems of this area are beyond repair."

Mr. Harkabi, one of those remarkable scholar-soldiers that Israel produces periodically, acknowledges that such fretting is a lonely exercise here. Israeli eyes understandably glaze over when the words "peace process" are mentioned these days.

Israel has never had more reason to feel comfortable. The external pressures that a decade ago were working against the Jewish state have all receded. The Palestine Liberation Organization, oil, the U.S. State Department's Arabists and the rest have fallen on hard times, to the regret of virtually no one in Israel.

A sign on a Jerusalem street marking the departure point for a "Daily Bus Trip to Cairo" is a reminder of how quickly the extraordinary becomes mundane. In a few weeks, Israel's peace treaty with Egypt enters its eighth year of diplomatic relations, open borders and the absence of military threat on Israel's southern front.

Anniversaries are important occasions for a Jewish nation living in the midst of the Arab sea. Each one provides a new measure of permanence and a moment to take stock. Thus, Israelis are already looking beyond the Egyptian treaty anniversary to June 5.

That day will mark the 20th year since Israel destroyed three Arab armies that pretended they were finally set to annihilate the "Zionist entity."

And yet, over this content inertia hangs the realization that Israel has received an unfinished peace in return for giving back all the Sinai, and that it still lacks full security and acceptance two decades after the 1967 victory.

Israel will spend $4.4 billion, or about 15 percent of this year's gross national product, to maintain the world's third or fourth mightiest army. Defense Minister Yitzhak Rabin complains that he has had for the last two years to make painful cuts to keep the spending at this level.

And, to build up an independent arms industry for security reasons, Israel has become a major arms exporter to clients as diverse as South Africa and Iran. Many Israelis are increasingly concerned about such links.

On the West Bank, in this 20th year after victory, unrest has become chronic instead of episodic and is taking on an air, however tentative, of insurrection. Palestinians are reacting to becoming, in Mr. Harkabi's chilling phrase, "the objects of history, with others deciding their destiny."

Just as Israelis have become disillusioned about their ability to gain more than a respite through either diplomacy or war, the Palestinians have seen fail all the outside forces they counted on to deliver them: the Arab states, the PLO, the Soviet Union, U.S. diplomacy. They and their Jewish neighbors are now center stage in an unpredictable drama.

Mr. Harkabi, a leading Israeli hawk when he headed military intelligence in the 1960s, now describes himself as a "Machiavellian dove" trying to get the best deal possible for his country while its foes are at their weakest.

He argues for a "Zionism of quality instead of Zionism of acreage" based on annexation of the West Bank. He calls for a bold and long-term Israeli strategy based on withdrawal and compromise, which he says has to be supported unambiguously by the United States.

The halfhearted support the U.S. State Department is belatedly giving to an international peace conference, as a way to bring Jordan's King Hussein into negotiations on the West Bank, is a far cry from the kind of bold stroke Mr. Harkabi feels is needed.

U.S. murmurings about an international conference are part effort to give the appearance of movement and part atonement to Hussein and other Arabs for Irangate. As William B. Quandt's excellent Brookings Institution book, "Camp David: Peacemaking and Politics," demonstrates, it is next to impossible to overcome the complexities and difficulties of arranging such a conference even when there is a fully engaged and determined president leading the effort, as was the case in 1977.

We do not have that today. It is hard to grasp, from Jerusalem at least, that the United States is doing little more than substituting lip service for policy. That would prove Mr. Harkabi's suspicion that Washington has slipped the Middle East into the "too hard" folder, on its way to becoming Terra Nullius.

The Washington Post.

Quotas Are a Boon to Automakers, Not Auto Buyers

By Mary Alexander and Jerome Ellig

WASHINGTON — Japan's "temporary" quotas on auto exports to the United States celebrate their sixth birthday soon: appropriately, on April Fools' Day. Though the restrictions were originally intended to last three years at most, Detroit auto executives and Japanese bureaucrats seem determined to nurse them well into their teens. This is bad news, indeed, for American car buyers.

The Japanese government let Japanese automakers ship just 2.3 million cars to the United States last year under the "Voluntary Restraint Agreement," though the U.S. government no longer requests such limitations. Last month, Japan announced that it will keep the quota at the same level for a seventh year.

So while the Reagan administration's trustbusters, quite properly, would come down hard on Ford, Chrysler and General Motors if they schemed to limit sales and divvy up the market to drive up prices, that is exactly what the Japanese government is doing to satisfy the protectionist U.S. automakers and the industry's political supporters.

That is good news for Lee Iacocca & Co., bad news for car buyers. In 1984 and 1985, U.S. consumers paid an extra $26.6 billion as a result of the voluntary restraints, according to Robert Crandall, a Brookings Institution economist. The quotas hiked the price of imported Japanese autos by an average of $2,500. Nor were buyers of U.S.-made cars spared, because the quota pumped up the price them as well: by an average of $1,000 each. The same was true last year, though precise figures are not yet available.

Instead of improving, the situation could get worse. The Ford Motor Co. president, Harold Poling, for example, is calling on the Japanese to reduce auto exports even further, to below two million — a position that even out-Iacoccas the Chrysler president, the protectionist champ.

The reason this time? Because Japanese companies have set up plants in the United States, paying American workers to assemble cars that contain imported as well as U.S.-made parts. Corporate chiefs like Mr. Poling claim these plants let the Japanese evade the voluntary quotas.

You have to admire the old-fashioned American ingenuity of the people who dream up these new reasons for reducing competition. In 1981, Douglas Fraser, then president of the United Auto Workers, said the industry just needed a little "breathing space" so it could catch up with the Japanese. The Japanese government originally announced that the restrictions would last only three years. They were then renewed for a fourth.

In 1984 — the year auto industry executives gave themselves million dollar bonuses — some in the industry called for continued protection. The new excuse was "exchange rates." When a dollar can buy more Japanese yen, American consumers can buy Japanese autos with fewer dollars. In February 1985, for example, the dollar traded for 260 yen. The UAW president, Owen Bieber, called for continuing the voluntary restraints "until the yen and the dollar return to a fair balance." David McCammon, a Ford vice president, told a Congressional committee the accord should continue until the dollar traded for 200 yen.

The dollar has fallen in value to around 150 yen, down 61 percent in two years. And prices of Japanese cars have risen accordingly: an average of $1,300 last year. Yet Ford and Chrysler still insist on quotas. (General Motors, incidentally, says it can live without them; the GM president, Roger Smith, says his company will "concentrate on beating the competition in the marketplace.")

Unfortunately for consumers, U.S. automakers responded to the increase in Japanese car prices by raising their prices. Though U.S. manufacturers successfully grabbed customers' attention by slashing interest rates last year, wholesale sticker prices on 1987 models are up 6.6 percent over 1986: an average of $700 per car.

That explains why Chrysler, Ford, and the UAW like quotas.

The Japanese government's motives are more of a mystery. But Japan's automakers have raked in several billion dollars a year extra because of the voluntary restraint accord. Quotas give them an incentive to export option-loaded models with the highest profit margins. Arthur Denzau, an economist at Washington University's Center for the Study of American Business, points out that announcement of the agreement in 1981 drove up Japanese auto companies' stock prices by 6 to 11 percent in anticipation of future profits.

Nevertheless, the Japanese auto restrictions carry a "Made in the USA" label. The "voluntary" agreement was never really voluntary, and Congress has kept the pressure on.

Despite the quotas, protectionists will likely push again this year for new restrictions, requiring cars sold in the United States to contain a percentage of U.S.-made parts. But even that would not be the end of it. If the Japanese start manufacturing more of their own components in the United States, they will be criticized for not buying from U.S. companies. And on and on until Datsuns have Lincoln engines and Cadillac transmissions.

The Congressional Budget Office has estimated that enactment of a 50-percent "domestic content" requirement would save 38,000 jobs in the domestic auto industry — but destroy 104,000 in other sectors of the economy. Such are the sacrifices protectionists would have us make in order to curb competition.

So, the accord counts its years. Detroit counts itself lucky. And consumers and workers outside the auto industry count their losses.

The writers, members of the staff of Citizens for a Sound Economy, a U.S. public policy organization, contributed this comment to The New York Times.

Irangate: Beware Harming the Innocents

By Walter F. Mondale and Frank J. Fahrenkopf Jr.

WASHINGTON — Because so much remains unknown about the Iran-contra dealings, information frequently comes out in the form of revelations that may contain only part of the truth and can be badly misleading. If care is not taken, many good and innocent people doing very worthwhile things could be harmed.

A case in point is the recent disclosure that the White House, under the direction of Lieutenant Colonel Oliver North, was carrying out secret activities under something called Project Democracy. According to the report, the project's "public arm" is the National Endowment for Democracy, a private, bipartisan organization established to strengthen democratic institutions in the world.

The allegation that the Endowment has any relationship to Colonel North's activities, whatever they were, is unfounded. Even the suggestion that the Endowment is an "arm" of Project Democracy is wrong and at odds with legislative history.

In early 1983, Congress was presented with two separate legislative proposals to foster democratic political and social institutions abroad. The first was Project Democracy, a Reagan administration request for $65 million to fund a range of programs through the U.S. Information Agency, the Agency for International Development and the State Department. The second proposal was to authorize funding for the National Endowment for Democracy.

The Endowment idea was inspired by the success that private foundations associated with West Germany's political parties have had in strengthening democratic institutions in the developing world. As envisioned, the Endowment would be a private, nonprofit entity that would openly fund democracy-building programs carried out by institutes associated with labor, business, the two major U.S. political parties and other private-sector organizations.

Believing that the work of promoting democracy could most effectively be carried out by the private sector, Congress authorized funding for the Endowment and not the package of programs called Project Democracy.

This history is important because it shows that, from the beginning, Congress placed high value on the private, bipartisan character of the Endowment and its independence from the present or any future administration.

Under the leadership of a broadly representative board of distinguished Americans, the Endowment has made great progress. It has developed strong oversight procedures pertaining to the selection, monitoring and evaluation of all grants. It reports fully to Congress on its activities and, as required by statute, keeps the State Department informed as well. The commitment to openness has always been fundamental to the concept and actual operation of the Endowment.

In all cases, the Endowment has been responsive to the needs and initiatives of its partners abroad, in the belief that internally generated change is preferable to change artificially imposed from outside.

The Endowment's work covers a wide range of countries. In the Philippines, Haiti, Taiwan, Guatemala, South Korea, Chile and Paraguay, its programs have supported or are helping to stimulate a process of democratic transition. In developing democracies such as Argentina, Peru and Colombia, as well as in the Caribbean and Central America, it provides aid to groups seeking to consolidate democratic institutions and procedures and to strengthen the commitment to democratic values.

The Endowment is also engaged in the difficult job of encouraging pluralist trends in the closed societies of the Communist world. Even in societies wracked by conflict, such as South Africa, Afghanistan, Northern Ireland and Nicaragua, it supports those who are working peacefully to sustain democratic possibilities and values.

The present controversy only heightens the importance of such open support for friends abroad. Totally unrelated activities alleged to have been carried out under the rubric of an otherwise defunct "Project Democracy" must not be allowed to discredit the efforts of the National Endowment for Democracy.

Walter F. Mondale, the former Democratic vice-president, has served on the board of directors of the National Endowment for Democracy. Frank J. Fahrenkopf Jr., chairman of the Republican National Committee, is a member of the Endowment's board. They contributed this comment to The New York Times.

LETTERS TO THE EDITOR

What's Awry in 'Amerika'

American television is not an instrument of propaganda. America is a marketplace, and the television executives are concerned first with profit and only incidentally with story line. If "Amerika" is a film that preys upon fears and prejudices, it is not so different from many that came before and many that will come after.

However, this infernal quest to give the American public what it wants does not stop with television. One does not have to look hard to find politicians selling the public what it wants to hear. Where does that leave the average American, surrounded by a market-oriented media feeding him wish-fulfillment films and politicians flying good-news banners? It leaves him dulled, pampered and ignorant.

JOE GANTZ.
Paris.

Volkswagen, by financing such a film, seems more interested in propagating distorted politics than in selling automobiles. The company therefore runs a risk that quite a lot of people, including myself, will find it hard to "vote" for Volkswagen.

R.F. LYONS.
Ville d'Avray, France.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Arrests in Corea

PARIS — The arrest of an American missionary in Corea by the Japanese was reported in a despatch from the Herald correspondent in Tokio [on Feb. 22], where it was stated that the arrest was made for alleged complicity in a plot against the Governor-General of Corea. The news comes as a sequel to the reports of Japanese persecution and torturing of Corean Christians sent by American missionaries in the peninsula or told by others who have returned from Corea. In a letter received by the Presbyterian Board of Foreign Missions, one of the missionaries told how a leading member of his church was burnt with hot irons, hanged by his thumbs and tortured in other ways, the object of the Japanese being to discover whether he had plotted to kill the Governor-General. Many mission schools in Corea have been closed.

1937: Gehrig Holds Out

NEW YORK — Colonel Jacob Ruppert was adamant, Lou Gehrig vehement in their contract battle as each flung fighting pronunciations at the other. "I have never been unreasonable," said Gehrig. "The colonel will have to admit that. I yielded to the colonel during the depression. Now that recovery is on its way, as the last season's near-record attendance indicates, I feel I am asking what I believe to be my value to the Yankees." That value Gehrig places at $50,000 as compared to the $31,000 he received during each of the last two years. Gehrig's reply to Ruppert brought a retort from the Yankee owner later in the day. He reiterated that he will not meet the demands of the more vociferous holdouts, among who are numbered Gehrig, Jake Powell and Red Ruffing. The last named is said to be demanding $30,000.

South Korea Parties On Collision Course

Political Crisis Appears Inevitable Amid Deadlock Over Constitution

By Clyde Haberman
New York Times Service

SEOUL — Many South Koreans are losing hope that their country can avert a political crisis in its search for a new way to select its national leader.

Politicians, business executives and intellectuals express growing pessimism about a prolonged deadlock in which the ruling and opposition parties have offered rival plans for constitutional change that each side says would create a more democratic government.

"There is no way out of this dilemma," a university political science professor said. "On both sides there is a basic lack of trust."

A measure of urgency was added

NEWS ANALYSIS

Thursday when the governing Democratic Justice Party warned that, unless there were a compromise within the next two months, it would take steps to push its own proposal through the National Assembly. Such an action would almost certainly lead to protests. It might even persuade the opposition to take to the streets, setting the stage for possible violent confrontations with combat police squads.

As it is, South Korea faces an uncertain future with college students returning in a few days to politically charged campuses after a long recess.

Spring demonstrations, always a threat in a country with little official tolerance for any form of perceived instability, are expected to be more severe than normal. It will be the first opportunity for mass rallies to protest the recent death of a student during police torture.

Some analysts caution that there is still ample time for a negotiated settlement and that brinkmanship is part of the process.

Nevertheless, concern about South Korea's political impasse and its potential for crisis has prompted the United States to adopt a more aggressive approach in prodding the rival camps toward a consensus. Statements by American officials rebuking both sides for a lack of progress have been received coolly by the authoritarian government of President Chun Doo Hwan.

Last May, the U.S. secretary of state, George P. Shultz, visited Seoul and said that the Chun government was "moving impressively in the right direction."

A public retreat from that warm praise was signaled this month when Gaston J. Sigur Jr., a U.S. assistant secretary of state for East Asian and Pacific affairs, sounded more critical notes. By indirection, Mr. Sigur questioned the present government's legitimacy, and, more bluntly, he called on the military to get out of politics.

Despite Washington's concern, however, political analysts doubt that the Reagan administration can do much to bring the opposing sides together.

The issue at stake is crucial. How it is resolved will determine who governs after Mr. Chun steps down, as he has promised to do, next year. No South Korean leader has ever given up power voluntarily, and many people here still wonder if he intends to retain behind-the-scenes control.

His ruling party proposes abandoning the present system, based on indirect election of a president by a large electoral college, and replacing it with a cabinet system led by a prime minister. The opposition New Korea Democratic Party, which is fragmented over strategy, wants a president who is elected in a direct popular vote.

Each camp offers reasons why its idea is the more democratic one. At heart, though, neither side believes it can win under the other's plan.

The main opposition leaders, Kim Young Sam and Kim Dae Jung, last week urged a referendum to let voters choose which of the proposed systems they preferred, but the Democratic Justice Party said no.

But Hyun Hong Choo, a leading member of the ruling party in the National Assembly, said Friday that there would be room for flexibility if the opposition ended its boycott of negotiations on the constitutional issue. His side might even be prepared to discuss modifications in its proposal, Mr. Hyun said.

While that offered a glimmer of hope, other politicians and independent analysts remained strongly doubtful. Some also warned of trouble should the ruling party carry out its threat to adopt constitutional change on its own, with the required help of a few dozen compliant lawmakers from the opposition. That would create a perception that the government had "rammed through" its plan, they said, and would discredit the election process.

"Both sides have smacked together before on a collision course," a diplomat said. "It's hard to believe they won't do it again this time."

The Associated Press

FIRST SNOWBALL — A resident of the United Arab Emirates holding a handful of snow after the first snowfall recorded in the country hit Abu Dhabi's al-Ain resort area.

Kennedy Says U.S. Aid Is Misused By Liberia

By Kendall J. Wills
New York Times Service

NEW YORK — An audit by the General Accounting Office says millions of dollars of U.S. aid to Liberia have been diverted to government officials in the last six years, according to a summary of the report made public on Saturday by Senator Edward M. Kennedy, Democrat of Massachusetts.

Mr. Kennedy said he would work to cut off all U.S. economic and military assistance — about $38 million for the 1987 fiscal year — to the government of Major General Samuel K. Doe.

Among the audit findings was that $16.5 million of commodity assistance support had not been accounted for since 1984. It also found regular unauthorized withdrawals of funds provided by Public Law 480, a food assistance program, totaling $1.7 million in 1986, and diversion of $12 million in economic support funds that was earmarked for development ministries but was used to purchase offshore oil.

He said aid should be suspended until economic changes were made and until "free and fair" presidential elections were held in Liberia.

General Doe led a revolution of sergeants in 1980 that overthrew the elected government of President William R. Tolbert, who was killed along with 13 other government officials. General Doe was elected President in October in an election that opponents said was fraudulent. The former Liberian Army master sergeant was sworn in as president of a civilian government on Jan. 5.

"It is clear that General Doe has used his position to enrich himself and his associates at the expense of the American taxpayer," Mr. Kennedy said in a statement.

Mr. Kennedy requested the audit in June after receiving reports of Liberian government corruption.

J. Emmanuel Bowier, spokesman for the Liberian Embassy in Washington, reacted sharply to Mr. Kennedy's remarks and the report, which he said he had not seen.

"I doubt whether it is a true report or that it can be proved," Mr. Bowier said. "We in Liberia are tired of these threats. The U.S. cannot dictate what our priorities should be."

Reagan Is Urged to Seek Access to Base in Zaire

By David B. Ottaway
Washington Post Service

WASHINGTON — The Defense Department is pressing the Reagan administration to negotiate a formal access agreement with Zaire so the United States can begin turning a run-down air base in the southern province of Shaba into a major U.S. facility for central and southern Africa.

Pentagon officials, outlining project details for the first time, also disclosed that the U.S. military has used the big base at Kamina in conducting unpublicized joint exercises with Zairian troops for several years.

The exercises involved fewer than 200 U.S. special forces troops and elements of Zaire's French-trained airborne division, officials said.

"We have had a couple of small-scale exercises with Zaire, and we would expect to continue," an official said.

The Central Intelligence Agency has also used the base to ship military aid, including sophisticated Stinger anti-aircraft missiles, to rebels fighting the Marxist government in Angola.

Administration officials said that interagency discussions have been under way for some time and that a decision on whether to begin negotiating for an access accord must be made within three months. That would permit use of $2 million tentatively set aside by the Pentagon for the project this fiscal year.

The State Department is said to be considerably less supportive of the project because of concern that the administration will make a commitment to President Mobutu Sese Seko of Zaire that it cannot fulfill because of budgetary constraints.

The State Department also has expressed concern that a formal access agreement would give too high a profile to close military and security ties between the United States and Zaire, according to administration sources.

Mr. Mobutu is reported to be seeking a large U.S. financial commitment to the Kamina base. His attitude about a formal access accord is not known.

The base was built by Belgium in the mid-1950s.

Gandhi and Zia, in New Delhi, Voice Satisfaction Over Border Situation

By Steven R. Weisman
New York Times Service

NEW DELHI — President Mohammed Zia ul-Haq of Pakistan and Prime Minister Rajiv Gandhi of India had dinner together here this weekend and expressed satisfaction at the way that they had defused a crisis over troop buildups on their border last month.

Officials said Saturday evening that an Indian delegation would go to Pakistan this week to discuss the second phase of troop withdrawals. The first withdrawal, of a total of 150,000 troops, was completed last week.

General Zia's visit, his fourth meeting with Mr. Gandhi since the Indian leader took office in late 1984, occurred in a low-key atmosphere, reflecting the fact that the principal purpose for General Zia's trip was to attend a cricket match between the two countries. Commentators have been referring to the meetings over the weekend as "cricket diplomacy."

Mr. Gandhi greeted the Pakistani leader at the airport, but there were no ceremonies, because it was not considered a state visit. The two leaders drove to India's Presidential Palace, where Mr. Zia had a one-hour meeting with the Indian president, Zail Singh.

Afterward, Mr. Gandhi and General Zia had an informal dinner with aides. The Pakistani president was to leave Sunday for Jaipur, in the Rajasthan desert, to attend the cricket match between India and Pakistan. He was to return to Pakistan on Monday.

Accompanying General Zia were many top Pakistani politicians and cricket fans and officials. General Zia's sudden interest in attending the cricket match last month, announced as both India and Pakistan were building up troops at the border, led to negotiations over withdrawing the forces.

At the time, both countries were accusing each other of provoking the crisis. Each side pledged not to start hostilities, but this did little to diminish fears of war.

The withdrawal of troops earlier this month leaves more than 170,000 troops along the border.

The final withdrawal is not expected to occur until after India completes some war games in the Rajasthan desert at the end of March.

India said that its foreign secretary, Alfred S. Gonsalves, who helped negotiate the earlier troop withdrawal, will go to Pakistan this week to negotiate the timetable for the remaining withdrawals.

Beijing Says Indian State Includes Part of China

Agence France-Presse

BEIJING — The Chinese Foreign Ministry said Sunday that it would not recognize the new Indian state of Arunachal Pradesh, saying it includes Chinese territory.

China maintains that its frontier with India has never been formally traced. Arunachal Pradesh, which also borders on Bhutan and Burma, was declared a state on Friday along with Mizoram, abutting Bangladesh and Burma and until last year the scene of a 20-year secessionist campaign.

U.S., Britain Veto Sanctions On South Africa in UN Vote

By Eric Pace
New York Times Service

UNITED NATIONS, New York — The United States and Britain have vetoed a Security Council resolution that would have imposed mandatory sanctions on South Africa like those approved last year by the Congress over President Ronald Reagan's veto.

Ten countries voted in favor of the resolution Friday. West Germany, which is not a permanent member and lacks veto power on the council, also voted against the measure. France, a permanent member, abstained, as did Japan.

Diplomats here noted that the vote put the U.S. government in the position of vetoing a measure that strongly resembles one approved by its own national legislature.

The resolution was proposed by Argentina, Congo, Ghana, the United Arab Emirates and Zambia.

Voting for the resolution, in addition to the five sponsors, were Bulgaria, China, Italy, the Soviet Union and Venezuela.

Analysts said some advocates of the Security Council resolution wanted it to highlight the divergence of views on the sanctions issue between the Congress and the Reagan administration.

Like the sanctions approved by Congress, the Security Council measure would have banned the import of South African gold coins, military equipment and some food and mineral items; suspended landing rights for South African aircraft; and barred most investment in South Africa.

It also would have banned the sale of computers and nuclear technology to South Africa.

During the debate here, the United States said the sanctions "would fail to bring an end to apartheid in a peaceful manner."

Herbert S. Okun, the acting U.S. representative, added that mandatory sanctions would "make it difficult if not impossible to achieve internal reconciliation and regional economic development."

But he harshly criticized apartheid.

Opium Warlord Is Put on Defensive

Burmese and Thais Reportedly Launch Separate Attacks

By Barbara Crossette
New York Times Service

CHIANGMAI, Thailand — An opium warlord whose narcotics trafficking supports an armed rebellion against Burma is reported to be under separate military attacks from Burmese and Thai forces.

The 54-year-old warlord, known as Khun Sa, outraged officials in both countries in January by holding a news conference in rebel-held territory in Burma where he boasted to reporters about a bumper opium crop.

Khun Sa's power and his personal wealth have continued to grow, assisted by inaccessible terrain, lax border surveillance and a large network of corruption surrounding the heroin trade in Thailand.

Both Thailand and Burma have recently begun new efforts to curtail opium production in the Golden Triangle, an area where Laos, Thailand and Burma meet. But despite spraying in Burma and the burning of poppy fields by Thai troops, this year's regional opium crop may reach a record 900 tons, narcotics experts say. Most of it will come from Burma.

The military operations begun this week on both sides of the Thai-Burmese border do not appear to be coordinated, according to diplomats and Thai officials. Thai troops are concerned primarily with keeping Khun Sa's army out of Thailand should the Burmese force his soldiers toward the border.

Burma's army is reported to be taking advantage of the annual dry season to strike at the heart of Khun Sa's military operation, a mountain camp called Doi Lang, which is west of the northern Thai town of Chiangrai.

[A Burmese attack Saturday against a large Karen ethnic minority rebel stronghold near the Thai border has driven about 1,000 Karen civilians into Thailand, Thai police said Sunday, according to a Reuters report from Bangkok.

[The police said that Burmese troops shelled Klerdy, a Karen base about six miles (10 kilometers) inside Burma, with mortars through most of Saturday. They also said that Khun Sa's guerrillas released four Thai soldiers who had been taken hostage Thursday in Chiangrai Province.]

Burmese officials are stepping up the spraying of opium fields, according to the ethnic Shans who inhabit the area. Many of the Shans do not accept Rangoon's authority, despite more than 40 years of Burmese independence. Shans are related to the Thai people, who also originated in southern China. Many Shans have settled in Thailand.

The Burmese crop eradication program uses an American-supplied herbicide, dichlorophenoxyacetic acid, or 2-4-D. The herbicide was a component of Agent Orange, which the United States used during the Vietnam War.

In the Shan area, the spraying not only destroys the opium but also weakens the Shan economy generally and, Rangoon hopes, the rebellion it supports. Shans say they have suffered physical damage, that food crops and animals have been hurt and that villages have been made unlivable by contamination.

Western chemical-warfare experts based in Thailand say that while they have not tested Shans who say they have been injured by the herbicide, they do not believe that 2-4-D could be the cause of animal or human fatalities or illnesses. They acknowledge that food crops such as cabbages or other broad-leaf greens could be destroyed.

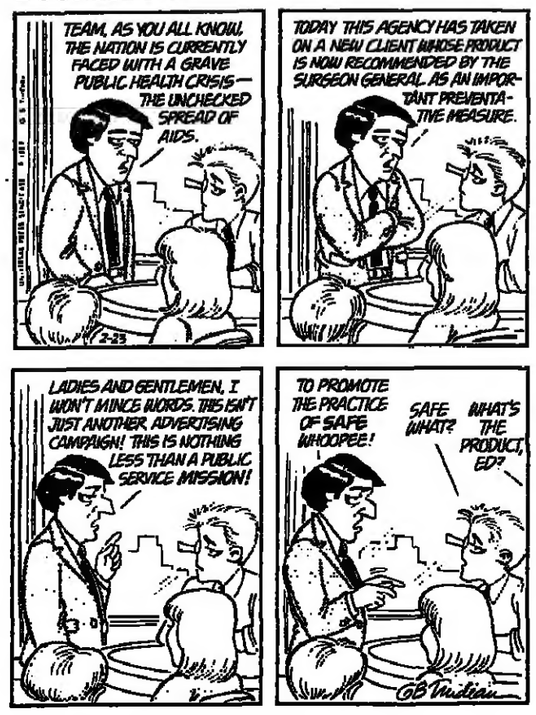
Militarily, most diplomats believe, Rangoon's forces have little chance of defeating Khun Sa. His mountain strongholds, at Doi Lang and elsewhere along the sparsely populated frontier from Mae Hong Son north to the Laotian border, are heavily fortified and in almost impassable terrain.

But diplomats and regional officials who have followed the fortunes of more than a half-dozen ethnic rebellions and a Communist insurgency in Burma say that the government of Ne Win, the Burmese general who has ruled the country for nearly a quarter of a century, has begun to make real progress in pushing back ethnic armies after decades of stalemate.

Refugees from Karen and Shan areas reaching Thailand report an increased Burmese military presence along the Thai-Burmese border.

In northeastern Burma, along the Chinese border, Ne Win has also apparently scored some significant victories against Burmese Communist Party strongholds.

DOONESBURY



Waldheim Sees Hussein At Start of Vacation

Reuters

VIENNA — King Hussein of Jordan arrived in Austria for a skiing holiday Saturday. He was welcomed at the airport by President Kurt Waldheim.

Mr. Hussein, who piloted his jet, will spend two weeks in the Austrian Alps with his wife and children. He took a special train to the province of Vorarlberg.

U.S. Officials Puzzled By Cache of Unclaimed Weapons in Honduras

By Stephen Engelberg and James LeMoyne
New York Times Service

WASHINGTON — A large cache of Soviet-made arms sitting unclaimed and unsalable in a warehouse in Honduras has become one of the latest mysteries emerging from the federal and congressional investigations of the private network to arm the Nicaraguan rebels.

Congressional investigators and administration officials have been looking into the possibility that the purchase and delivery of the weapons were arranged by Lieutenant Colonel Oliver L. North, the dismissed National Security Council aide who was directing private efforts to aid the rebels, also known as contras.

These sources said that there was no direct evidence tying Colonel North to the shipments. Several sources said the cache could be a result of an arms deal gone sour that was put together without U.S. government help.

But a Honduran with close ties to Honduran military and government officials said the initial shipments were delivered by a Danish freighter known to have been subsequently used by Colonel North's associates to ferry arms to the contras.

Administration officials said the Central Intelligence Agency had refused to let any of the $100 million that Congress provided to the contras be spent on the weapons because it was not known who paid for them.

A lawyer for the Miami arms dealer who brokered the weapons, which the dealer offered to the contras for $20 million, said Saturday that a private "foreign interest" had initially paid for the arms, which include Kalashnikov assault rifles.

The lawyer, Theodore Klein, said the initial purchaser had planned to sell them to the Honduran military, which in turn would sell them to the contras. Mr. Klein insisted that Colonel North had no part in shipping the weapons or in any other aspect of the deal.

But the officials and investigators said they were intrigued by where the money came from to underwrite the multimillion-dollar cost of buying the weapons and shipping them to Central America. The weapons in the warehouse, they said, could help explain how some of the tens of millions of dollars contributed by foreign governments on behalf of the contras was spent.

The Honduran source said he was not sure who had paid for the weapons, which are now being stored in a warehouse owned by the Honduran military in Tegucigalpa.

The source said the arms were to be sold to the contras by a small group of Honduran military officers, who would share the profits with the two U.S. arms brokers who arranged the deal. Cooperation of Honduran military officials has been essential in maintaining the flow of arms to the contras.

The weapons have become a matter of dispute within the Honduran military, with junior officers charging that the deal is one of several cases involving corruption by senior officers who have profited from supplying the contras. The young officers charged that profits rather than national interests had motivated the support of their superiors for the contras.

Administration officials said the CIA and the State Department were adamant about not buying the weapons, which are like those already used by the contra forces.

"The weapons were put there by somebody who was waiting for a deal to take place," a well-placed American official said. "We don't have any idea who's behind it. We don't know whether it's drug money, laundered money or what. That's why we're staying as far away from this as possible."

According to administration officials and the Honduran source, the deal was brokered by Ronald Martin, who is associated with a Miami-based concern called R.M. Equipment.

He formerly had an interest in the Tamiami Gun Shop in Miami, Mr. Klein said. That concern has been selling Soviet-bloc weapons to the contras in the two years since Congress cut off direct military aid, according to a congressional source.

Mr. Martin worked through a contractor in Honduras, a Cuban-American veteran of the CIA named Mario de la Mico, who, a congressional source said, had provided important assistance to the contras.

Mr. Klein said Saturday, "The weapons would not have been shipped if there were not assurances they would be paid for." He declined to identify the original purchaser of the arms, which he said were bought mostly in Western Europe, beyond saying it was a "private foreign interest" and not a government.

He said that the Honduran military had taken possession of the weapons but had not yet paid for them. He added that Mr. Martin would soon take legal action against Honduras if he were not paid.

Investigators have been puzzled by the timing of the shipments to Honduras. According to administration officials, the weapons began arriving in Honduras in mid-1985 and continued to arrive at the warehouse in early 1986, when Congress appeared on the verge of resuming aid to the contras.

In the same period, weapons deliveries arranged by Colonel North and his associates were flowing to the contras.

U.S. Visa Lottery: It's Luck of Guess Who

The Associated Press

WASHINGTON — Irish applicants won the biggest block of the 10,000 U.S. immigration openings that will be made available this year and next to people who normally would not qualify, according to figures announced over the weekend. There were 1.3 million applicants, and the Irish won 3,112 openings.

No applicants from Albania, Guadeloupe, Liechtenstein, Luxembourg, Monaco, New Caledonia or San Marino were successful.

The openings were offered under a law designed to help people in 36 countries and territories whose emigration to the United States has decreased since 1965.

For years, all 270,000 immigration openings each year have been filled by people with special attributes such as desirable skills or close relatives living in the United States.

Under the one-time offer to 5,000 people this year and 5,000 in 1988, the only main requirements were a desire to come to the United States and lots of luck.

To give applicants an equal chance, the State Department advertised in the 36 countries and territories that anyone sending entry forms to a special post-office box in Washington would be selected on a first-come, first-served basis after midnight Jan. 21.

The estimated 400,000 requests received before then were thrown away, as were those sent mistakenly to U.S. embassies abroad.

The first several thousand received Jan. 21 were ranked in order of receipt and computerized. The estimated 900,000 letters received after that arrived too late.

Canada was second in the sweepstakes with 2,078 winners. Then came Britain with 1,181, Indonesia with 810, Poland with 592, Japan with 518 and Italy with 315.

Now that the winners have been picked, U.S. embassies are mailing notifications and requests for biographical data.

Under the law, authorities have until Sept. 30 to process the first 5,000 and Sept. 30, 1988, to process the next 5,000. Applicants who fail to provide the necessary papers in time could be out of luck. In addition, some of the applicants will be ineligible for various reasons, such as criminal records, and others may decide they do not want to become U.S. residents after all.

Ruth van Heuven, a State Department spokeswoman, said the department had set aside a number of applications beyond the first 10,000 in case there are dropouts.

Here is the State Department's list of the number of winners from each country:

Albania 0, Algeria 15, Argentina 170, Austria 82, Belgium 63, Bermuda 6, Britain 1,181, Canada 2,078, Czechoslovakia 27, Denmark 54, Estonia 7, Finland 39, France 201, East Germany 20, West Germany 311, Gibraltar 1, Guadeloupe 0, Hungary 32, Iceland 4, Indonesia 810, Ireland 3,112 and Italy 315.

Also Japan 518, Latvia 1, Liechtenstein 0, Lithuania 3, Luxembourg 0, Monaco 0, New Caledonia 0, Netherlands 108, Norway 9, Poland 592, San Marino 0, Sweden 129, Switzerland 96 and Tunisia 16.

Andy Warhol, 58, Dies; He Turned Pop Images Into a High Art Form

Compiled by Our Staff From Dispatches

NEW YORK — Andy Warhol, 58, who turned popular images into high art, died Sunday in his sleep of a heart attack.

Mr. Warhol was pronounced dead at New York University Hospital. He had undergone gall bladder surgery at the hospital Saturday.

Born Andrew Warhola, one of three sons of Czechoslovak immigrants living in Pittsburgh, Mr. Warhol worked as a fashion illustrator until his success with a Campbell Soup can in 1962 caused him to turn to pop art.

He also produced and filmed offbeat movies, including an eight-hour show based on a man asleep in bed.

He almost died in 1968 when he was shot by an actress, Valerie Solanos, at his office in New York.

Mr. Warhol attended Carnegie Tech, now known as Carnegie-Mellon University, and graduated in 1949 with a bachelor's degree in art. After doing odd jobs in Pittsburgh, Mr. Warhol went to New York and began his work as a fashion illustrator.

In 1957, he won the Art Directors Club medal for a shoe advertisement. Then in 1962 he conjured up the Campbell Soup can as a pop art symbol. It was regarded as an avant-garde approach and from that time onward, Mr. Warhol was considered a genius.

He set up a studio in New York's Union Square that he called The Factory. It became the scene of several Warhol movies, among them "Sleep," "Bike Boy," "Chelsea Girls," "Nude Restaurant," "Lonesome Cowboys," "Trash," "Bad," and "Andy Warhol's Frankenstein."

Mr. Warhol liked to associate with New York celebrities and often could be found dancing in the city's discos.

"He made his own lifestyle a work of art," said Richard Oldenburg, director of the Museum of Modern Art. "He was one of the first people to really become a star as an artist, and once celebrity came he certainly enjoyed it."

Mr. Warhol's fame emanated above all from his innovative and influential pop art, his representation of commonplace commercial items and circumstances as art iself. With ever-present camera and tape recorder, he came through his work to be viewed as a recorder of society.

In 1969 he created Interview magazine, a compendium of jet-set gossip. In the 1970s, he produced images of the glamorous that filled the entire fourth floor of the Whitney Museum of American Art in a 1979 show.

In recent months, he produced a program for MTV called "Andy Warhol's Fifteen Minutes," a reference to his comment that in the future, everyone would be famous for 15 minutes.

Although many first regarded Mr. Warhol as an artistic fraud, "he was a serious artist whose posture was unseriousness," said William Rubin, chief curator of painting and sculpture at the Museum of Modern Art. "He was a pioneer of image-appropriating pop art, and the implications of his ideas are still unfolding in post-modernism."

The Warhol work that has fetched the highest price to date is a painting of 200 one-dollar bills. It was sold for $385,000 at an auction in 1986 in New York.

In a rare explanation of his work Mr. Warhol once said he got the soup can idea from an art instructor who told him he should paint things that were important to him.

"I'd been eating soup for lunch for 20 years so I painted it," he said.

Mr. Warhol was pronounced dead at New York University Hospital at 6:31 A.M. from a heart attack, said a hospital spokesperson, Diane Goldin. He had undergone gall bladder surgery at the hospital Saturday, she said.

Convent Near Auschwitz Camp to Be Removed

By Thomas Nerter
International Herald Tribune

GENEVA — Roman Catholic leaders from Poland, France and Belgium, at a meeting with European Jewish leaders here, agreed Sunday to remove a Carmelite convent at the grounds of the Auschwitz and Birkenau concentration camps in Poland within two years.

Theo Klein, president of the Council of Jewish Institutions in France, said the Catholic group, which included the archbishops of Paris, Lyon, Brussels and Krakow, the Polish city near the Auschwitz camp, had agreed to establish an interreligious center away from the camp to provide a place for Catholics and Jews to pray and meditate and eventually house the 10 Carmelite nuns who had lived in the convent.

Mr. Klein said the agreement resolved a lingering dispute between Roman Catholic and Jewish leaders over the convent.

The establishment of the convent had caused dismay among Jewish groups in the United States and Western Europe who regarded it as an affront to the memory of Jews who were murdered at Auschwitz during the Nazi occupation of Poland in World War II.

"I don't want to talk about a victory, but this is a great satisfaction for us," Mr. Klein said, "because what was also really at stake were the relations between the Catholic Church and the Jewish people, a relationship which, as we know from history was not always easy."

By substituting the interreligious center away from the camp for the convent, which was located in an unused theater just outside the Auschwitz site, the church leaders apparently hope to avoid recriminations from members of either faith.

More than two million Jews and from 1.25 million to 1.5 million non-Jews, most of them Polish Roman Catholics, were killed at the camp.

West European Jews have insisted that the camp be preserved as a monument of the mass murder of Jews there. But Catholic groups, such as one called Aid to the Church in Distress in West Germany, had argued that the Carmelite sisters were praying and doing penance for all who died there.

The issue has continually raised strong emotions. Some senior church leaders have questioned the establishment of the convent at the walls of the camp in light of a widespread perceptions of Auschwitz as a symbol of the Nazi effort to exterminate the Jews.

But they also noted that Pope John Paul II canonized a Polish priest, Maksymilian Kolbe, in Auschwitz, where he died of starvation in a punishment cell in place of a married prisoner.

Participating in Sunday's meeting were Albert Decourtraz, archbishop of Lyon, Jean-Marie Lustiger, archbishop of Paris, Godfried Daneels, archbishop of Brussels, and Franciszek Macharski, archbishop of Krakow.

The Jewish group was led by René-Samuel Sirat, the grand rabbi of France, Mr. Klein, and Ady Steg, president of a committee opposing the convent.

At a meeting here in July, the group issued a joint statement recognizing the "special significance" of Auschwitz and Birkenau to the Holocaust, in which the Nazis murdered an estimated six million Jews.

The statement apparently cleared the way for Sunday's communiqué, which resulted from negotiations between Archbishop Lustiger and Mr. Klein and the Polish Roman Catholic Church.

Polish and other church leaders here could not be reached for comments on the communiqué. But Mr. Klein stressed that the decision would promote what he called an "understanding" of each side's positions in the dispute.

"The fact that this was accomplished will make it easier in the future to agree on other matters," Mr. Klein said.

"But it is very important that this not be seen as a victory, but rather as a satisfactory conclusion without letting one or the other side feel that they won or lost. Otherwise, someone would have been hurt."

TRIAL: *War Crimes, Unity*

(Continued from Page 1)

open and a fresh stack of corpses removed for burning.

In the audience are former concentration camp victims and their relatives. There are also younger people, who say they hope to learn about a horrific event that has shaped their lives.

Avi Goldberger, 20, is a yeshiva student whose family emigrated here from Hungary after the war. His mother survived the Auschwitz concentration camp; his father survived Bergen-Belsen. Most of their relatives were murdered.

He said he is here to fill in the silences that rule his home whenever the Holocaust comes up.

"They don't talk about it," he said of his parents. "Even when they are asked about it, it's very hard for them to answer."

Some commentators have seen the invocation of the Holocaust as an attempt by Western-born Ashkenazi Jews to dominate the Sephardim Jews, most of whom come from Arab countries and who did not suffer similar losses.

But like Yechiel Halevi, 19, a Yemenite Jew, many Sephardim are attending the trial.

"It doesn't matter where my family comes from," he said. "I'm a Jew and that is the most important thing."

Mr. Demjanjuk remained all but silent last week. After waving to the crowd the first morning and shouting "Good morning!" in Hebrew, he has been quiet and expressionless.

According to the prosecution, he was a Ukrainian prisoner of war who volunteered for death camp duty to save his life. He is accused of then carrying out his orders with sadistic enthusiasm.

Mr. Demjanjuk, who was stripped of his U.S. citizenship in 1981 for concealing his past and was extradited to Israel last year, says he is a victim of mistaken identity.

This week, his claim will be tested as the prosecution calls the first of eight Treblinka survivors expected to identify him as "Ivan the Terrible," the brutal prison guard and executioner.

"If he's innocent, then we must beg his pardon for this trial," said Arieh Oriel, 21. "If he's guilty, then all of us — the right, the left, the socialists, the nationalists, Ashkenazi and Sephardim — will agree that he must be punished."

Mr. Demjanjuk, 66, faces death by hanging if convicted.

NORTH: *Papers Destroyed*

(Continued from Page 1)

ments had been destroyed, government officials said the destruction was routine, and that National Security Council regulations required that many classified documents be "shredded" at the end of each day.

But Mr. Walsh's decision to grant immunity to Ms. Hall would seem to indicate that the document destruction was not routine and might have involved obstruction of justice, sources said.

One of the sources said that some of the material destroyed by Ms. Hall was retrieved, with her help, from the computer banks at the National Security Council.

In recent days, government sources have reported that extensive material from the computers, including National Security Council memorandums to and from Colonel North, had been retrieved. The colonel and others apparently thought that the classified information had been purged.

The material has been turned over to the special prosecutor and to the presidential review board led by John G. Tower, the former Republican senator from Texas. The board's report is expected to be released Thursday.

There were these related developments:

- The Senate majority leader, Robert C. Byrd of West Virginia, accused White House officials of involvement in a campaign to cover up the extent of President Ronald Reagan's role in the Iran affair.

"I think there's been a great deal of lying and cover-up — not by the president himself, I'm not saying that — but it's obvious that those around him have engaged in a great deal of cover-up and deceit in an effort to protect the presidency," Mr. Byrd said Friday in an interview with the Los Angeles Times.

While Mr. Byrd would not identify the White House officials he suspected were responsible for a cover-up, he hinted strongly that he was referring to the White House chief of staff, Donald T. Regan, among others. It was on Mr. Regan's advice, sources say, that the president recanted his original testimony that in August 1985 he had approved an Israeli shipment of arms to Iran.

- Mr. Regan was reported by The Washington Post to be nearing dismissal. Several people in the administration and in Congress have been urging his removal because of his handling of the Iran arms affair.

After a week of White House turmoil and publicized conflicts with Nancy Reagan, Mr. Regan was described by one Republican source close to the administration as "all but out the door."

■ **CIA Aide Assailed North**

The Central Intelligence Agency's No. 2 official reprimanded Colonel North in early 1984 for secretly proposing that President Reagan authorize planning to "neutralize" terrorists, The Washington Post quoted two sources as saying.

The deputy director of central intelligence, John N. McMahon, was so angry at Colonel North's choice of words — which he feared might be interpreted as presidential approval of assassinations — that he telephoned the colonel late at night and called him an unprintable name, the sources said.

Whether the wording of the still-classified document was changed is not known.

David H. Susskind, Talk Show Host

United Press International

NEW YORK — David H. Susskind, 66, a television producer and longtime talk show host, was found dead of natural causes Sunday in his hotel room, one day before he was to enter a hospital for tests, police said.

Mr. Susskind, a prolific television producer, won 27 Emmy awards and three Peabody awards.

His syndicated talk-show program, initially called "Open End" because it had no time limit and later called "The David Susskind Show," began in 1958 and quickly gained notoriety because of heated sessions with Nikita S. Khrushchev and Vice President Richard M. Nixon.

He worked as an independent producer and talk show host and was viewed as an easy-going interviewer until he talked with Khrushchev.

Mr. Susskind said things that angered Khrushchev. He drew a vitriolic retort from Khrushchev when he described the Russian leader's policies as "baying at the moon."

Mr. Susskind was born Dec. 19, 1920, in Brookline, Massachusetts, and graduated from Harvard with honors. He served in the navy during World War II, and, after his discharge, worked as a press agent for various Hollywood studios. He set up his own production company in 1952.

Sir Hugh Greene, 76, Former BBC Director

LONDON (AP) — Sir Hugh Carleton Greene, 76, former director-general of the British Broadcasting Corp., has died in a London hospital, a family spokesman said. He said Sir Hugh, who had been ill with cancer, died Thursday.

Sir Hugh brought satire to Britain's public television network during the 1960s in the form of "That Was The Week That Was," an irreverent late-night spoof of politicians that broke new ground in broadcasting.

He was the brother of Graham Greene, the novelist.

Sir Hugh was a journalist in Warsaw when Hitler marched into Poland and covered the event for The Daily Telegraph. He reported the war from Romania, Bulgaria and Turkey.

In 1960, he became director-general of the BBC, leaving the post in 1969.

Henry-Russell Hitchcock, U.S. Architectural Historian

NEW YORK (NYT) — Henry-Russell Hitchcock, 83, one of America's most distinguished architectural historians and teachers died of cancer Thursday in New York.

Mr. Hitchcock, who wrote and co-authored more than 20 books and numerous articles, inspired generations of architectural scholars during decades of teaching and also helped shape the architectural sensibility of his time through many influential exhibitions. The most famous was the 1932 International Style show at the Museum of Modern Art, done with Philip Johnson, an architect.

"Of our generation, he was the leader of us all," Mr. Johnson said. "He set a new standard of architectural scholarship and accuracy of judgment. In my opinion, the standard has yet to be equaled."

His writings at Harvard and later at the Museum of Modern Art helped introduce architectural modernism to the United States as a style rather than as a technical, functional or sociological way of building, as modernism was then being espoused in Europe.

ARRESTS: *4 Leaders of Direct Action Held in France*

(Continued from Page 1)

near future and names of people that the group planned to kidnap.

One room in the farm appeared to have been equipped to hold a kidnapping victim, they said.

Since it was founded in 1979, Direct Action has been blamed for about 80 attacks, mainly bombings in which no one was killed.

The four detained Saturday are members of the group's so-called international section that is believed to have links with the West German Red Army Faction and the Belgian Fighting Communist Cells.

Neighbors at Vitry-aux-Loges said that Miss Menigon and Mr. Rouillon, who were known locally as "Nadine" and "Robert," traveled in a car with Belgian license plates.

Miss Aubron is married to Régis Schleicher, another Direct Action leader, whose trial in December for the murder of two policemen was suspended after he threatened those taking part in it with "proletarian justice" and five jurors withdrew.

It was the Schleicher trial that prompted the government to draft a law permitting no-jury trials in terrorist cases. The Abdallah trial, to be conducted by a panel of seven judges, is the first of its kind.

Mr. Abdallah is charged with complicity in the 1982 murders of a U.S. military attaché, Lieutenant Colonel Charles R. Ray, and of an Israeli diplomat, Yaacov Barsimantov. He faces a similar charge for the attempted assassination of the U.S. consul general in Strasbourg in 1984.

Despite the blow to Direct Action, police stressed Sunday that they were still planning maximum security during the Abdallah trial.

The Direct Action arrests brought a break in the almost permanent spat between President François Mitterrand, a Socialist, and his Gaullist prime minister, Jacques Chirac.

Mr. Mitterrand asked Mr. Chirac to thank all those involved in the arrests and spoke of the operation's "remarkable success."

BEIRUT: *Syrian Troops, Tanks Move Into West Beirut*

(Continued from Page 1)

dead and 560 wounded in the worst battles in three years.

The Syrian troops are backed by some 100 Soviet-made T-54 tanks and lines of artillery and rocket launchers. They moved out of the Druze-controlled Chouf mountains overlooking the capital at dawn and arrived in the afternoon.

The troops quickly seized Beirut International Airport, which has been closed since Feb. 1. Hundreds of soldiers dug trenches on the perimeter of the airport, which lies near two large Palestinian refugee camps. They set up machine guns and grenade launchers and deployed artillery.

Troops also established other positions on the outskirts of the city, then moved into the heart of the Moslem sector, taking positions in the Raouche, Manara and Ramlet Al Baida neighborhoods, witnesses said. The areas were controlled by the Druze militia.

Tanks and trucks also took up positions around the 40-story Murr Tower, an Amal stronghold.

There was little likelihood of clashes between the Syrians and the militias, which are Syrian allies.

Brigadier Kenaan urged "all gunmen to withdraw from the streets of Beirut immediately" and called on militiamen who kidnapped other Lebanese during the fighting to release the hostages or face "no mercy."

Asked if the Syrian presence could bring the release of kidnapped Westerners, Brigadier Kenaan said, "We hope for the best."

He added: "All the people here are hostages. We are also hostages. But this is a humanitarian issue that we hope to solve, that God willing, we will solve."

In Washington, a State Department spokeswoman, Sondra McCarty, said the United States "deplores the tragic suffering of the past week," but cautioned that no foreign power was likely to restore order in Lebanon.

She said, "The past 12 years in Lebanon provide ample proof that no external force can impose political or security arrangements."

In Israel, state-run radio said Defense Minister Yitzhak Rabin told the cabinet there was no immediate cause for concern unless the Syrians set up ground-to-air missile batteries in Beirut.

Mr. Rabin told Israeli Army radio that, "from Israel's point of view, it would be preferable that the Syrians not return to Beirut, even in a smaller force."

"We'll see what develops, and in light of this we'll consider what steps to take," he said.

The Syrian intervention also was opposed by the Lebanese president, Amin Gemayel, a Christian, and other leaders in Christian East Beirut. They accused the Moslem leaders who invited the Syrians of acting unconstitutionally.

2 Die in Danish Copter Crash

Reuters

COPENHAGEN — The pilot and engineer of a Danish Navy helicopter were killed late Friday when the craft, on a routine flight, crashed off the Faeroe islands in the North Atlantic, a navy spokesman said Saturday. The cause of the crash was unknown.

Herald International Tribune

BUSINESS/FINANCE

MONDAY, FEBRUARY 23, 1987 **

EUROBONDS

Stocks, G-5 Session Steal Spotlight From New Paper

By CARL GEWIRTZ
International Herald Tribune

PARIS — Eurobond underwriters fought a losing battle last week trying to win investor attention. The bond market could neither compete with the buoyant stock markets in New York, London and Tokyo nor overcome the wariness about the outcome of the weekend meeting of finance ministers from six leading industrial nations.

This left underwriters sitting on most of the paper they marketed last week, but they weren't overly concerned.

In London, bankers were expecting the weekend meeting of finance ministers and central bank officials to result in at least a temporary stabilization of exchange rates. Bankers said that stability should encourage a shift into Eurodollar bonds from lower yielding assets in other currencies.

The only fixed-rate bonds that seemed to be selling were considered attractive asset swaps.

But in each currency sector, bankers said they saw good reasons why investors should come flocking back. In Frankfurt, bankers are confident that Deutsche mark bond buyers are poised to pocket additional capital gains. Their theory is that the level of real DM interest rates, or what is left after subtracting the rate of inflation, is still too high, leaving plenty of room for coupon levels to decline and bond prices to rise.

As for Euroyen bonds, bankers expect to see increasing demand from Japanese investors who prefer to remain in yen to avoid exchange-rate risks, but are attracted to the higher yields than are on available in the domestic bond market.

Investors, however, were unimpressed with such reasoning and avoided new commitments. This was made clear by the response to the $200 million of five-year notes offered by General Motors Acceptance Corp., a frequent but popular issuer. The 7⅝ percent notes were priced at 101, or $1,010 for each $1,000 security. Allowing for the underwriting fees of 1⅛ percent, the notes were priced to yield about 61 basis points, or 0.61 of a percentage point, over comparably dated U.S. Treasury paper.

Bankers, usually quick to carp at the pricing on issues they have not arranged, assessed GMAC's terms as fair. But investors were not attracted and the paper ended the week at a discount of 2 points.

ONLY THREE OF THE NINE fixed-rate Eurodollar bonds offered last week appeared to be selling, and that was because they were considered attractive asset swaps. The yields were higher than those that are currently available on outstanding bonds of the same maturity from similar-quality issuers, inclining investors to sell what they held and replace it with the new paper. But little new money was being committed to the market.

New Zealand, whose debt is rated double-A, priced its $150 million of 10-year at 99¾ bearing a coupon of 8 percent. Less the 2 percent fees paid to underwriters, the paper yielded 93 basis points over Treasury paper, a big pick-up over what outstanding 10-year bonds currently yield. The bonds ended the week down 1.6 points, comfortably within the commissions paid to underwriters, and yielding 88 basis points over Treasury paper.

Bankers who complained about this issue said it was priced too generously and that New Zealand could have paid less.

At the short end of the market, Atlantic Financial, a U.S. savings and loan association, offered $175 million of three-year collateralized notes that were backed by U.S. Treasury bonds, agency bonds and cash, giving the issue a triple-A rating.

Priced at 101¼ with a coupon of 7¼ percent, the paper was offered to underwriters with fees of 1⅜ percent to yield 65 basis points over the Treasury curve. The notes ended just within the fees at a discount of 1.3 points.

Macmillan Bloedel, whose debt is rated triple-B, offered its $100 million of 9 percent, nine-year bonds at 100⅝. Less the fees of 2 percent, the bonds yielded 175 basis points over Treasury debt and made good fodder for a swap into floating-rate debt below the London interbank offered rate.

The remaining issues languished, particularly the $250 million, five-year notes issued by General Electric Credit. The paper was priced to yield 32 basis points over the Treasury curve, a level that the market judged too skimpy by far. Numerous investment bankers said they refused the invitation from Union Bank of Switzerland to co-manage the issue, and UBS was estimated to be left holding some $175 million on its own books. The notes ended the week down 2⅛ points.

In the DM sector, the European Community's 5⅝ percent coupon on 300 million DM of six-year notes compared unfavorably with domestic yields of 5¾ percent and the paper did not sell.

Avis Financial, a unit of Avis Europe that was spun off last year from the American auto rental company, set a coupon of 5⅝ percent on five-year notes and ended the week down 1¾ points, just inside the underwiting fees of 2 percent.

Increasingly, the market is being used as a means to create

See EUROBONDS, Page 9

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Feb. 20	Feb. 13	Ch'ge
DJ Indus.	2,235.25	2,183.35	+2.38 %
DJ Util.	222.02	220.75	+0.58 %
DJ Trans.	951.55	922.36	+3.17 %
S & P 100	275.06	268.67	+2.38 %
S & P 500	285.48	279.70	+2.07 %
S & P Ind	323.41	317.40	+1.89 %
NYSE Cp	162.82	159.56	+2.04 %
Britain			
FTSE 100	1,961.50	1,898.10	+3.34 %
FT 30	1,567.00	1,521.00	+3.02 %
Japan			
Nikkei 225	20,080.39	19,628.87	+2.30 %
West Germany			
Commerzbk	1,747.20	1,761.10	—0.80 %
Hong Kong			
Hang Seng	2,827.40	2,740.49	+3.17 %
World			
MSCIP	407.20	400.60	+1.65 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Feb. 20	Feb. 13
Discount rate	5½	5¾
Federal funds rate	5⅝	6 1/16
Prime rate	7½	7½
Japan		
Discount	2½	3
Call money	4	4¼
3-month interbank	4¼	4⅝
West Germany		
Lombard	5	5
Call money	3.90	4.00
3-month interbank	4.05	4.05
Britain		
Bank base rate	11	11
Call money	11	11⅛
3-month interbank	10⅝	11

Dollar	Feb. 20	Feb. 13	Ch'ge
Bk Engl Index	104.00	104.30	—0.29 %
Gold			
London p.m. fix $	399.75	397.25	+0.60 %

Currency Rates

Cross Rates

Feb. 20

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.07	3.165	112.98 *	33.94 *	0.1689 *	—	5.457 *	133.78 *	134.52 y
Brussels(a)	37.94	57.95	20.709	6.219	2.9135 *	18.32	—	24.506	24.67 *
Frankfurt	1.8313	2.799	—	30.02 *	1.406 x	88.535 *	4.831 *	118.34 *	1.1915 *
London (b)	1.529	—	2.7942	9.3035	1,986.60	2.1563	57.87	2.958	224.78
Milan	1,302.70	1,989.08	711.05	213.32	—	629.46	34.345	841.21	8.472
New York(c)	—	0.6513 =	1.819	6.058	1,293.00	2.0555	37.68	1.5263	152.35
Paris	6.102	9.319	2.2898	—	4.4835 x	2.9472	14.68 *	3.9407	3.9685 *
Tokyo	154.00	235.16	82.88	25.22	11.83 *	74.49	405.80 *	99.39	—
Zurich	1.5428	2.3565	84.51 *	25.375 *	0.1192 *	74.79 *	4.0774 *	—	1.0046 *
1 ECU	1.1292	0.7385	2.0641	6.8726	1,467.63	2.3318	42.7528	1.7451	172.495
1 SDR	1.2609	0.8247	2.3051	7.694	N.Q.	2.6101	47.8385	1.9512	192.926

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (=) To buy one pound: $1.5155

Other Dollar Values

Currency per U.S.$		Currency per U.S.$		Currency per U.S.$		Currency per U.S.$	
Argen. austral	1.4095	Fin. markka	4.555	Mex. peso	1,033.00	S. Kor. won	854.20
Austral. $	1.5063	Greek druc.	135.00	N. Zealand $	1.8139	Soviet ruble	0.6454
Austr. schil.	12.90	Hong Kong $	7.7945	Nig. naira	3.00	Span. peseta	128.90
Belg. fin. fr.	38.17	Indian rupee	13.02	Norw. krone	6.985	Swed. krona	6.4925
Brazil cruz.	18.64	Indo. rupiah	1,637.00	Phil. peso	19.90	Taiwan $	35.01
Canadian $	1.3297	Irish £	0.6219	Port. escudo	141.75	Thai baht	25.915
Chinese yuan	3.7221	Israeli shek.	1.6065	Saudi riyal	3.7500	Turkish lira	757.40
Danish krone	6.8962	Kuwaiti dinar	0.2789	Sing. $	2.1455	UAE dirham	3.6728
Egypt. pound	1.38	Malay. ring.	2.551	S. Afr. rand	2.0907	Venez. bolv.	22.33

£ Sterling: 1.0527 Irish £

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Debt Set A Record In 1986

World Bank Sees Global Threat

Compiled by Our Staff From Dispatches

WASHINGTON — Third World debt has passed $1 trillion for the first time and threatens the global financial system, according to the World Bank.

The bank, in its most pessimistic assessment in years, said in a report released Friday that unless Third World economies expand, relations between debtors and creditors could break down with "consequent lasting damage to the international financial system and world economy."

The bank estimated total developing country debt last year at $1.035 trillion, compared with $992 billion in 1985.

The bank said projections for this year showed an increase of 4 percent, to $1.080 trillion.

Charles Larkum, who heads the World Bank's External Debt Division, said that total debt, when adjusted for inflation, dropped last year. But other officials cautioned that this was no cause for jubilation.

The fact that debt did not increase much last year "is not a good thing in these current circumstances," said Jean Baneth, who heads the bank's Economic Analysis and Projections Department.

"It is not a good thing," he added, "because it reflects the drying up of financing following the Mexican crisis almost half a decade ago and because it imposed on developing countries an enormous adjustment effort."

Bank officials, in the report and in a news briefing, indicated that the global debt initiative launched in October 1985 by the U.S. Treasury secretary, James A. Baker 3d, was not showing desired results.

Mr. Baker proposed new lending to debtor countries by commercial banks and multilateral development banks, and urged a stronger role for the World Bank in dealing with the debt crisis. He said stronger efforts should be made to help countries grow out of their debt problems, contending that austerity programs alone would not be enough.

But lending from commercial banks has dropped in recent years, even as lending from government and intergovernmental bodies such as the World Bank has been increasing. The World Bank lent poor countries more than $16 billion in the year ended June 30.

"Bankers' attitudes have hardened," the report says, "and the perceived incentives for further lending have been weakened."

The bank's annual study of poor countries' debt indicated the nations had maintained relations with creditors by stalling development and reducing their people's incomes.

The report said that net transfer of funds from all developing countries to their creditors rose from $26.3 billion in 1985 to $29 billion in 1986.

The outflow reverses the more usual flow of capital from rich countries to poor ones, which allows the construction of roads, dams, farms and factories in the poor countries, creating jobs and raising living standards.

The report says sacrifices by the poor countries are not enough to get them growing again and calls for new lending from abroad.

(Reuters, AP)

A Superstar and His Unflashy Firm

Mismatch of Siegel, Kidder May Have Led Both Astray

By William Glaberson
New York Times Service

NEW YORK — In the days when Martin A. Siegel was riding high as one of the country's top takeover specialists, junior associates at Kidder, Peabody & Co. admiringly called him the barracuda. "He was pretty, he was smooth and he was fast," one of them explained.

He was, in short, all the things that Kidder, Peabody was not. The 122-year old investment bank was decidedly unflashy. It was plagued with uncertainty about the role it wanted to play on Wall Street. And it moved painfully slowly in a financial world that was racing ever faster.

For many years, the mismatch seemed to work. Mr. Siegel brought Kidder to the forefront of the takeover business by persuading companies that they needed him to defend them against unwanted takeover bids. In the process, the young investment banker became a star.

Mr. Siegel was a Kidder Peabody man. He arrived there at the age of 23 and did not leave for 15 years. But he outshone his firm in public, gained extraordinary influence in private and grew impatient with its progress.

Now, because of Mr. Siegel, Kidder has been drawn into Wall Street's insider-trading scandal. By his own account, he was routinely violating the law, supplying the arbitrager Ivan F. Boesky and, the government charges, Kidder's own traders, with confidential information on corporate strategies. Kidder has not been charged with wrongdoing.

It may be hard to understand why a polished family man who reportedly earned $2.5 million a year would descend into the world of passwords and bagmen.

But to some extent, the tensions between Kidder and the superstar it fostered may have contributed to pressures that helped lead both astray.

As Kidder struggled to define itself, an impatient Mr. Siegel may have come to conclude that he did not have to answer to anyone but himself.

In any event, the scandal may well impede Kidder's hopes of becoming a top-tier investment bank. In April, Kidder took a major step in that direction: In exchange for access to several hundred million dollars of desperately needed new capital, it sold an 80-percent interest to General Electric Corp.

But now, Kidder's managers are likely to be preoccupied with the scandal for years.

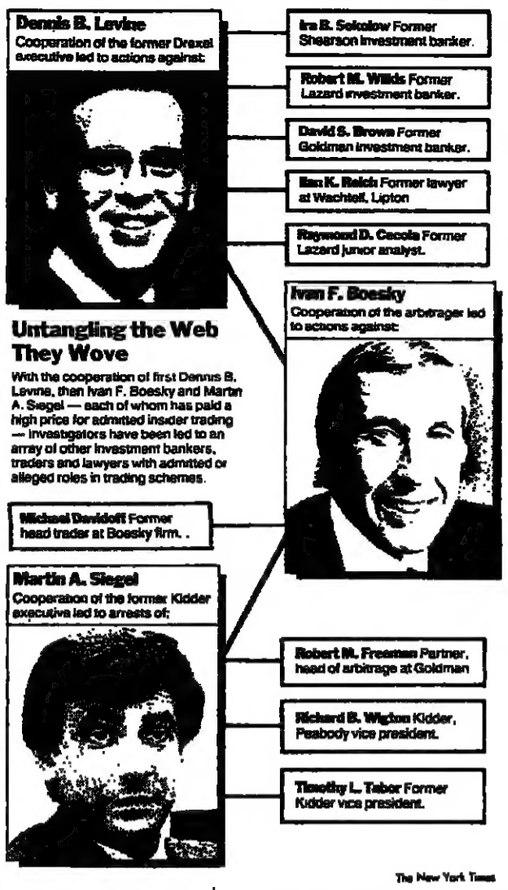
Analysts already had been wondering whether Kidder, even with GE's backing, could make the steep climb into the major leagues of investment banking, which is largely monopolized by a half-dozen firms.

This is not the first time that the firm has had to cope with bad publicity. In 1984, Peter N. Brant, Kidder's $1 million-a-year stockbroker, embarrassed the firm by testifying that he set up a scheme to trade on tips fed to him by R. Foster Winans, a former Wall Street Journal reporter. Mr. Brant pleaded guilty to criminal charges.

Despite the current scandal, Kidder says that its plans for expansion are still on track. GE has provided a credit line of $500 million for short-term financing so that Kidder can compete with several other top firms that are moving into merchant banking.

In merchant banking, institutions not only advise companies on takeovers and acquisitions but also provide financing, earning huge fees. In 1985, Kidder says, it placed $500 million of high-yield debt securities. In

See KIDDER, Page 9



Untangling the Web They Wove

With the cooperation of first Dennis B. Levine, then Ivan F. Boesky and Martin A. Siegel — each of whom has paid a high price for admitted insider trading — investigators have been led to an array of other investment bankers, traders and lawyers with admitted or alleged roles in trading schemes.

The New York Times

Drexel Denies It Thwarted Staley Offering

By Paul A. Driscoll
The Associated Press

CHICAGO — Drexel Burnham Lambert Inc. has responded to a $220 million private lawsuit by accusing Staley Continental Inc. of trying to "capitalize on the current climate" of suspicion over insider trading on Wall Street.

Drexel, whose officials are being questioned in the government's investigation of illegal insider practices, is denying allegations that it attempted to extort Staley Continental Inc. into accepting a buyout.

Staley, a food company based near here in Rolling Meadows, sued the investment banking firm Thursday in U.S. District Court, alleging violations of federal securities and racketeering statutes.

A spokesman for Drexel, Steven Anreder, said the charges were without merit and called the suit "an ill-conceived attempt to capitalize on the current climate."

That climate includes the highly publicized government investigation of the trading of stocks of companies involved in takeovers, including Drexel, a pioneer in the financing of takeovers through high-yield, low-quality "junk bonds."

Staley alleges in the suit that

Staley also says Drexel concealed its stake from regulators.

Drexel attempted in November to pressure Staley's management into supporting a leveraged buyout led by Drexel by undermining the company's attempts to raise money through a common stock offering.

Staley contends that when it proceeded in November with a stock offering that was opposed by Drexel, the investment firm threatened to trade its Staley stock in a way to frustrate the offering — and then carried out the threat.

Staley withdrew the offering. It said that it was forced as a result to resort to the more expensive alternative of raising capital by selling an issue of convertible preferred stock.

Staley said it suffered at least $70 million in losses because of Drexel's actions, and asked the court to award $220 million under triple-damage provisions of federal racketeering statutes.

In addition to the money damages, Staley's lawsuit seeks to prevent Drexel from continuing to acquire Staley stock and from acting in any capacity in an attempt to take over the company.

The suit also contends that officers from Drexel's Los Angeles-based high-yield bond department boasted to Staley officials that Drexel controlled more than 5 percent of Staley shares, but did not disclose this to government regulators because it "was bad for business."

Gulf Oil States Meet to Bolster Crude Prices

Compiled by Our Staff From Dispatches

ABU DHABI — Oil ministers from Gulf Arab states met Sunday to discuss how to prop up faltering oil prices, amid signs of trouble with OPEC's latest agreement to boost prices.

The official Emirates News Agency said Sunday that the four OPEC producers in the region, Saudi Arabia, Kuwait, the United Arab Emirates and Qatar, were likely to call for an emergency meeting of the Organization of Petroleum Exporting Countries in mid-March to discuss mounting pressures on world oil prices.

However, the oil minister of the United Arab Emirates, Mana Saeed Otaiba, who said earlier this month that an emergency OPEC meeting might be necessary to consider further production cuts, said Sunday he did not think such a meeting was necessary.

Mr. Otaiba was speaking after acting as chairman of a meeting of the oil ministers from the six-nation Gulf Cooperation Council. The group also includes Bahrain and Oman, which are not OPEC members.

The four OPEC members account for about 40 percent of the cartel's total output

The ENS quoted official sources in Abu Dhabi as saying: "The meeting of the four Gulf members in OPEC might pave the way for an emergency meeting of the 13-nation OPEC to discuss the latest developments in the world oil markets."

It said such a call would be supported by the "majority of OPEC members, especially since four members — Qatar, Iran, Libya and Nigeria — are facing difficulties in marketing their crudes."

However, asked if an emergency meeting was necessary, Mr. Otaiba said: "No, I don't think so."

He also denied reports that OPEC was exceeding its output ceiling set in December, and specifically that the UAE was exceeding its quota.

OPEC is due to hold its next meeting in Vienna on June 25 but the ENS said there was an urgent need for an extraordinary session "before the crisis gets worse in the second quarter of this year, when demand on oil declines because of the end of the winter season."

At its last meeting in Geneva on Dec. 20, OPEC decreed a 7.25 percent cut in output to 15.8 million barrels a day and set a new official average price of $18 a barrel from the previous range of $14 a barrel.

Oil prices have slid back in the last few weeks after receiving an initial boost from OPEC's agreement, but perked up Friday as traders anticipated the weekend meeting could lead to new output curbs.

The U.S. benchmark grade crude, West Texas Intermediate, rose 33 cents to $17.77 a barrel.

Sources in the Gulf said the ministers were likely to reiterate their support for the OPEC pact.

They said the agenda was expected to include reported overproduction by some OPEC states, including the UAE, and the possibility of some members acting as "swing producers" to balance production.

Prices plunged in mid-1986 to less than $10 a barrel from around $30 in late 1985.

The sources said King Fahd of Saudi Arabia, who staked his prestige on the OPEC accord, could cut Saudi output to hold prices up.

Saudi Arabia, OPEC's biggest producer, has a quota of 4.13 million barrels a day in OPEC's agreed output ceiling of 15.8 million barrels a day set for the first half of 1987. *(UPI, Reuters)*

■ **Gulf Currency Grid**

Gulf Arab states are likely to introduce a currency grid, broadly similar to the European Monetary System, within a year, as a first step toward creating a common Gulf currency, Kuwait's central bank governor, Sheikh Salem Abdul-Aziz al-Saudi al-Sabah, said Sunday, Reuters reported from Kuwait.

Mexico's Sale of Stake In 2 Banks Is Criticized

New York Times Service

MEXICO CITY — Nearly five years after it nationalized the nation's banking system, the government has begun to return at least partial ownership to private hands, but in a way that has raised charges of favoritism and corruption.

An offering of one-third of the stock in two national banks, Banco Nacional de México, known as Banamex, and Banco de Comercio, or Bancomer, began earlier this month at prices ranging from $11 to $24 a share.

After ten days of trading, Banamex stock was selling for $38 a share and Bancomer for $64.

But stock analysts and small investors claim that most of the shares were made available beforehand to bank employees, managers and clients at considerably below anticipated market value.

Government officials have portrayed the offering and the rapid increase in the price of the shares as a sign of renewed confidence in Mexico's battered economy and a prelude to further privatization of the financial sector.

But a stockbroker who asked to remain anonymous said, "There has been a real desire to look after the image of this placement so that it does not appear to be a failure."

"Only one-third of the shares have actually been offered on the open market," he said. "One-third has been offered to important officers and other employees of the banks, often with stretched-out payment terms, and the rest were sold to major clients of the banks."

Brokerage houses said they had been deluged with complaints by private investors excluded from the private offering. A few newspapers have also reported allegations by investors of irregularities, and there has also been discontent among the brokers themselves, several of whom said that the stocks were being "given away almost as a gift."

Banamex and Bancomer are considered the strongest of Mexico's 19 state-owned banks.

In recent years, they have typically accounted for more than half the total profits of the banking sector. The financial sector as a whole, however, has been reeling from several years of high inflation and a depressed economy.

While Mexican bank profits rose 111 percent in nominal peso terms in 1986, to the equivalent of $425 million through the end of November, according to statistics provided by the National Banking Commission, real growth has been modest at best.

Analysts said interest rates were high enough throughout much of the year to discourage new capital investment by potential borrowers but too low to attract large new deposits. For those reasons, analysts expect any response to future bank privatization efforts to be tepid at best.

U.S. Tool Orders Rose in January

New York Times Service

NEW YORK — New orders for U.S.-made machine tools rose 8.2 percent in January, the National Machine Tool Builders Association said Sunday.

But officials of the trade association said that the pace of new orders for machine tools, the power-driven devices used to shape metal parts, remained disappointing. Measured against January 1986, orders fell 22.5 percent. The orders amounted to $147.7 million in January, against $136.5 million in December, and $190.7 million in January 1986.

James A. Gray, president of the association, said that, in light of capital investment cuts by U.S. industry, industry executives and analysts "predict that 1987 may be one of the most difficult years faced by the U.S. machine-tool industry."

U.S. to Press Soviet Over Grain Buying

The Associated Press

WASHINGTON — U.S. and Soviet representatives are to meet here Monday for talks on the two countries' grain agreement that will include discussion of the Soviet failure to buy American grain since August, the Agriculture Department said.

The talks are part of biannual consultations under the five-year grain accord, which began in 1983. Under the nonbinding agreement, the Soviets promised to buy at least 9 million metric tons of wheat and corn annually. At least 4 million tons of that must be wheat and 4 million tons corn.

But the Soviets have not bought any U.S. grain for delivery in 1986-87. Last year's sales of wheat and corn totaled about 7 million tons.

[Rumors that the Soviet Union bought U.S. corn fueled a rally in grain futures Friday on the Chicago Board of Trade, Reuters reported. Corn jumped more than 4 cents a bushel, reversing a sharp decline that had pushed prices to their lowest levels in 15 years. But after trading ended, the Agriculture Department said exporters had reported the sale of 150,000 metric tons of corn to an unnamed buyer.]

Jakarta May Sell Ailing State Firms

Reuters

JAKARTA — Oil-dependent Indonesia, strapped for cash after the plunge in world crude prices, is taking a hard look at its state-owned industries to see which should be sold to the private sector.

Indonesia has 215 state-owned companies. President Suharto has ordered all ministries that supervise state industries to report on them by the end of the month and is setting up a team to examine which could be privatized.

The president has said that the government can no longer afford unprofitable state companies and those that do not make a profit would be sold.

But several ministry officials have already stepped forward to say that companies under the control of their departments will not be privatized, and the unprofitable state airline, Garuda, has said there are no plans to turn it private.

President Suharto is taking a personal interest in the privatization plan, which foreign bankers and Indonesian businessmen said indicated a resolve to follow it through.

But they said it was difficult to see how larger state companies could be sold.

"It would be difficult to emulate the British or French examples," one foreign banker said, referring to sales to private investors, "because the stock market here is virtually dead."

Only 24 stocks are traded on the exchange, and because of rules restricting share movement, there is little public interest in the market.

More listings could provide a stimulus for the exchange, but only if the rules were liberalized, bankers and businessmen said.

State companies range from the highly profitable, like the oil giant Pertamina, to railway and shipping companies, mining and steel firms, and plantations.

Agriculture Minister Achmad Affandi has said that two of the 35 companies under his department involved in sugar milling and cattle breeding are likely to be sold to the private sector.

A spokesman for the Trade Ministry said that of its 10 companies, one, involved in printing and cocoa processing, is persistently unprofitable.

PT Djakarta Lloyd, a shipping company, is listed as unprofitable by the Communications Ministry.

Few state companies provide public accounts. But PT Krakatau steel, the state steel company, which had not made a profit for eight years, this month announced an operating profit of 45.3 billion rupiah ($27.67 million) in 1986, against a loss of 13.6 billion rupiah the year before.

The hard look at the state sector is part of a major review of Indonesia's protected economy as a result of the rapid fall in oil prices last year.

That fall threatened a balance-of-payments crisis and forced Indonesia to devalue the rupiah by 31 percent last September.

The government has announced three sets of economic liberalization measures over the past nine months, although key sectors of the economy remain monopolies or highly protected.

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277.
Prices may vary according to market conditions and other factors.

Feb. 20

Dollar Straights

Australasia

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Aust Com Bk	12¾	89	112⅛	7.20	+56
Aust Com Bk	10	93	110⅝	7.93	+79
Australia	11	95	116¼	8.20	+95
Australia	11½	95	119⅛	8.22	+94
Australia	11¼	00	116⅝	9.01	+123
N S Wales Trsy	11¾	90	111¾	7.44	+74
New Zealand	7¼	89	100	7.22	+61
New Zealand	7¾	90	100⅝	7.42	+70
New Zealand	7½	91	99½	7.62	+76
New Zealand	7⅝	91	100	7.61	+73
New Zealand	8	93	100¾	7.83	+75
New Zealand	8¼	93	102	7.82	+76
New Zealand	10¾	95	110¾	8.40	+77
New Zealand B	10½	00	112¼	8.87	+135
Qantas	10⅝	95	112¾	8.20	+93
Qantas	8⅝	96	102¾	8.18	+87
Queensland	11⅝	89	110	7.29	+63
Queensland	8	91	101¼	7.60	+76
Queensland	10¼	95	111⅛	8.27	+100
St Bk Sth Aust	10¼	92	110	7.76	+85
St Bk Sth Aust	9¼	93	105⅝	7.92	+88
Sth Aust Gov	8¾	93	103⅝	7.97	+91
Victoria Sec	10	92	109⅜	7.90	+88
Victoria P	11⅜	92	115⅝	7.88	+94
Victoria Sb	8½	93	102¼	8.02	+93
Victoria Publ	8⅝	96	100⅜	8.25	+90

Canada

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
B C Hydro	10¼	88	103¼	6.94	+50
B C Hydro	13⅜	88	108⅝	6.88	+34
B C Hydro	14⅝	89	114⅜	7.20	+66
B C Hydro	15⅜	92	131¼	7.87	+91
B C Hydro	11¾	93	119	7.93	+88
Can Natl Railw	14⅝	91	113½	10.81	+57
Canada	10⅝	88	106⅛	6.81	+44
Canada	11½	90	111⅞	7.05	+36
Canada	10	95	112¼	7.59	+70
Canada	9	96	107¼	7.85	+54
Canadair	12½	89	112⅞	7.09	+44
Canadian Pacif	12½	90	114½	7.74	+97
Canadian Pacif	14⅝	92	109⅝	12.01	+58
Canadian Pacif	10¾	93	109	8.81	+114
Canadian Pacif	7½	96	95½	8.21	+89
E D C X/w	10	88	103	6.92	+48
E D C	10¾	88	103	6.97	+55
E D C	11⅛	89	107¼	7.04	+55
E D C	12	89	111⅝	7.05	+41
E D C	10	90	108	7.20	+47
E D C	8½	92	103⅝	7.55	+65
Farm Credit	7½	93	98⅝	7.76	+62
Farm Credit	11⅜	93	118⅝	7.86	+73
Farm Credit	7⅜	96	98⅝	7.96	+63
Manitoba	11⅜	89	110⅜	7.27	+62
Manitoba	13⅝	89	114⅝	7.39	+78
Manitoba	10½	90	108⅞	7.35	+63
Manitoba	8¾	91	104½	7.37	+57
Manitoba	12½	94	124¼	8.09	+88
Manitoba	7½	96	95⅝	8.14	+83
Olymp York	10⅝	90	104⅞	8.34	+64
Olymp York	10⅝	95	109½	8.78	+136
Olymp York	8¼	96	98⅝	8.45	+113
Ontar Hyd Aug	16	91	113½	11.89	+80
Ontar Hyd Nov	16	91	115⅛	11.61	+76
Ontario Hydro	11¼	89	110½	7.03	+36
Ontario Hydro	14⅝	89	114¾	7.14	+61
Ontario Hydro	10¼	90	108½	7.18	+47
Ontario Hydro	11¾	90	113⅞	7.27	+51
Ontario Hydro	13½	91	120¼	7.46	+65
Ontario Hydro	12¾	92	122⅛	7.73	+73
Ontario Hydro	15	92	130⅝	7.84	+87
Ontario Hydro	11⅝	94	119¼	7.91	+75
Petro-Canada	7¼	96	94¾	8.87	+75
Prov Albert	7⅜	91	99½	7.48	+60
R B C	11½	89	107⅜	7.13	+64
R B C	8⅝	93	101½	8.05	+96
Saskatchew	11⅞	89	110⅜	7.33	+69
Saskatchewan	16	89	116⅝	7.12	+62
Saskatchew	10⅝	90	107¼	7.25	+57
Saskatchew	7½	91	99⅝	7.52	+67
Saskatchew	8½	91	103½	7.46	+65
Saskatchew	10¾	92	111⅞	7.80	+88
Saskatchew	15	92	130¼	7.93	+96

France

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
B F C E	7¼	91	99¼	7.43	+57
B F C E	7¼	93	97½	7.76	+68
B F C E	7⅝	96	97¼	8.00	+66
B F C E	7⅝	97	98¾	7.94	+57
B N P	13½	89	114⅝	7.21	+59
B N P	8¾	93	102⅝	8.13	+97
B N P X/w	9¼	90	104¼	8.26	+86
C C C E	7¼	91	98⅝	7.40	+54
C E P M E	7⅜	91	99¾	7.42	+57
C E P M E	10⅛	91	108⅝	7.95	+71
C E P M E	7⅜	96	98	8.06	+74
C N C A	10	90	108¼	7.31	+54
C N C A	11¼	90	110¼	7.19	+52
C N C A	7¼	91	99¼	7.43	+54
C N C A	13⅝	91	120⅝	7.53	+70
C N C A	11½	92	115⅝	7.64	+72
C N C A	7½	94	98½	7.79	+62
C N C A	7½	96	97	7.96	+64
C N E	11¾	95	121½	7.59	+76
C N T	7	91	98⅝	7.40	+52
C N T	13¾	91	122⅝	7.46	+85
Cr Foncier X/w	10⅝	91	112⅛	7.41	+58
Cr Foncier X/w	12½	92	120⅝	7.48	+71
Cr Foncier	7½	94	98½	7.78	+62
Cr.Lyon	7¾	93	99⅝	7.86	+73
Cr.Lyonnais	9	91	105⅝	7.47	+66
Credit Nat	7¼	91	99¼	7.43	+55
Credit Natl	9⅛	93	106⅜	7.75	+74
E D F X/w	14⅝	89	114	7.05	+53
E D F	7¼	93	100¼	7.07	+54
E D F	11⅛	93	116⅝	7.48	+62
E D F	10	95	110⅝	8.22	+74
E D F X/w	10⅝	95	109⅝	8.53	+73
G D F	12¼	93	118	8.29	+57
S N C F	11½	93	118	7.67	+62
S N C F	7¼	94	97⅜	7.75	+57
S N C F	7¼	96	98½	7.98	+65

Japan

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Bk Of Tokyo	13⅞	89	115⅛	7.17	+56
Bk of Tokyo	11	90	107⅜	7.35	+66
Bk of Tokyo	11⅝	90	114⅝	7.38	+59
Bk of Tokyo	8	93	100½	7.89	+74
Bk of Tokyo	8⅝	96	107⅜	8.09	+78
Canon	7⅝	91	98¼	7.94	+105
Dai-Ichi	10⅝	90	108⅜	7.37	+64
Dai-Ichi	12¼	90	115⅝	7.29	+53
Dai-Ichi	8⅛	97	101⅜	7.60	+79
Daiwa	7⅝	93	99¼	8.01	+86
DKB Asia	8⅝	91	101⅜	7.62	+78
DKB Asia	8	93	100⅝	7.91	+78
Fuji B & T	7⅝	91	100¼	7.54	+67
Fuji Intl	10⅝	90	109⅝	7.38	+67
IBM Japan	7¼	91	99¼	7.43	+54
Ind Bk Jap	7⅝	92	99¼	7.56	+66
Ind Bk Jap	8	93	101	7.78	+68
Jap Airl	8⅛	96	100	8.12	+81
Jap Airl	8⅛	96	101	7.97	+61
Jap Highway	7⅝	96	94⅝	8.45	+113
L T C B	11⅞	89	108⅞	7.15	+64
L T C B	10¾	90	105⅝	7.38	+67
L T C B	11	90	109⅝	7.36	+67
L T C B	8	91	102⅝	7.34	+49
L T C B	7¾	93	99½	7.84	+76
L T C B	8	93	101	7.78	+71
L T C B	8	96	99¾	8.05	+71
L T C B	8	97	99¾	8.05	+69
Metro Tokyo	8¼	96	101⅜	8.03	+68
Mitsub X/w	12½	89	112⅝	7.17	+53
Mitsub Finance	11⅜	90	111⅛	7.29	+57
Mitsub Fin	7⅞	93	99⅝	7.94	+79
Mitsub Tst	7¾	93	97	7.94	+78
Mitsubishi	7¼	92	98¾	7.72	+82
Mitsui Tst	12⅞	89	113⅜	7.22	+58
Mitsui Tst	7¾	94	98⅝	8.06	+89
N C B	13⅞	89	114	7.19	+61
N C B	11	90	109⅝	7.40	+69
N C B	11⅝	90	113⅝	7.44	+67
N C B	7½	91	99¾	7.55	+67
N C B	8¼	91	103½	7.47	+65
N C B	8	93	100½	7.88	+77
N C B	11¼	93	115⅝	7.84	+80
N C B	10¾	95	113	8.15	+89
N C B	10⅝	95	114⅝	8.19	+90
Nippon T&T	7½	94	99	7.69	+52
Sanwa Intl Fin	11½	92	116⅛	7.65	+70
Sanwa Intl	11⅞	92	131	8.98	+209
Sumitomo	10⅝	90	109⅝	7.47	+70
Sumitomo	7¾	91	100⅝	7.54	+67
Sumitomo	12⅝	91	118¼	7.49	+67
Sumitomo	11¼	92	116⅝	7.71	+79
Taiyo Kobe	7¾	94	98⅝	7.99	+82
Tokai Asia	11½	95	119⅝	8.17	+91
Tokai Bank	7½	91	99¾	7.55	+73
Toyota	7	89	100⅝	6.83	+78
Toyota	7⅛	92	98⅝	7.44	+54
Yasuda Tst	12⅝	89	109⅝	7.16	+65
Yasuda Tst	8⅛	93	102½	7.97	+88
Yasuda Tst	10⅝	95	113⅝	8.20	+93

Scandinavia

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Denmark	7	89	99⅝	7.13	+53
Denmark	11¼	89	107⅞	7.22	+68
Denmark	11½	90	111⅝	7.37	+66
Denmark	8¾	91	102½	7.56	+78
Denmark	12	91	115⅝	7.38	+61
Denmark	13	91	119⅝	7.35	+52
Denmark	13⅝	91	121¾	7.44	+58
Denmark	11½	92	116	7.59	+66
Denmark	7¾	93	99	7.95	+88
Exportfin	11⅞	90	107¾	8.91	+63
Exportfin	7¾	92	98⅝	7.56	+66
Exportfin	11¼	92	114⅝	7.61	+68
Exportfin	7⅝	93	98⅝	7.84	+72
Exportfin	7⅝	93	98⅝	7.84	+69
Exportfin	7⅝	96	98⅝	8.08	+72
Exportfin	10	96	108⅝	8.55	+125
Forsmarks	8¾	97	104⅛	7.51	+71
N I B	7½	91	99⅝	7.52	+65
N I B	7⅛	93	98⅝	7.81	+70
N I B Ser A	9⅝	96	107⅝	8.35	+87
Norsk Hydro	8½	91	103	7.58	+78
Norsk Hydro	7	92	97	7.76	+86
Norsk Hydro	10	93	106⅝	8.55	+96
Norsk Hydro	8	96	98⅛	8.30	+99
Norway	7¼	91	99⅝	7.31	+44
S A S	10⅛	95	107⅝	8.47	+118
S E K	6⅝	90	99⅛	6.77	+30
S E K	7¼	91	99⅛	7.46	+58
S E K	8⅝	91	104⅛	7.33	+52
S E K	7½	93	99⅛	7.67	+61
S E K	9¼	93	105⅝	8.15	+102
S E K	9⅝	93	109⅝	7.67	+62
S E K	7⅛	94	98⅝	7.24	+54
S.E.K.	11⅛	89	107⅝	7.25	+77
S.E.K. X/w	12⅝	91	113⅝	9.04	+70
S.E.K.	10	92	110⅝	7.58	+63
Saab Scania	9⅛	91	105⅝	7.76	+66
Skandia Ins	7¼	92	98½	7.42	+71
Statoil	7	89	99¾	7.11	+58
Statoil	13½	89	113½	7.15	+57
Statoil	10	90	107⅝	7.31	+57
Statoil	7⅝	94	98⅝	7.94	+77
Statoil	9¼	96	106¼	8.22	+93
Stockholm City	11⅛	95	113⅝	9.52	+100
Sweden	11½	89	110½	7.19	+53
Sweden	12⅝	89	110⅝	7.01	+48
Sweden	10⅝	90	110⅝	7.21	+50
Sweden	7	91	98⅝	7.35	+49
Sweden	7	92	98⅝	7.34	+44
Sweden	10¼	92	112	7.58	+57
Sweden	8⅛	94	102⅝	7.68	+48
Sweden	11¾	94	116⅛	8.73	+87
Sweden	8⅝	96	105	7.95	+64
Volvo Cap	10½	90	107⅝	7.77	+105

Supranational

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Council Europe	8	96	99¾	8.03	+70
Council Eur	9⅝	96	107⅝	8.13	+102
E C S	7	89	100¼	6.86	+20
E C S	11⅝	90	114½	6.94	+21
E C S	7¾	91	100⅝	7.44	+52
E C S Dec	8¼	96	101⅞	7.96	+61
E C S Tr.B	8¼	96	101½	8.01	+66
E C S	9⅝	96	107¼	8.19	+90
E E C	9⅝	90	105	7.57	+68
E E C	11⅛	90	110⅝	6.98	+50
E E C	7	91	98⅝	7.38	+40
E E C	8⅝	91	104⅝	7.21	+40
E E C	7¼	93	99	7.46	+42
E E C Oct	12	93	121½	7.70	+38
E E C	8¼	96	102¼	7.89	+57
E E C	9⅝	96	108⅛	7.83	+53
E I B	11½	90	113⅝	7.21	+43
E I B	11	91	112¾	7.24	+43
E I B	10¼	92	108⅝	8.20	+71
E I B A	7⅝	93	99¼	7.76	+61
E I B B	7⅝	93	99⅝	7.79	+64
E I B	7¾	93	99½	7.91	+78
E I B	10¾	93	109¾	8.44	+79
E I B	11⅝	93	120⅝	7.75	+62
E I B	10¼	94	111⅝	8.13	+69
E I B	12⅞	94	127⅝	7.74	+56
E I B	12	95	123½	7.96	+72
E I B	7¾	96	98⅝	7.95	+63
Eurofima	12½	89	112¼	7.16	+54
Eurofima	7¾	91	101⅛	7.39	+54
Eurofima	12½	91	117¼	7.39	+57
Eurofima	9¼	96	107⅝	8.03	+72
Eurofima	7⅝	97	98⅝	8.04	+68
I A D B	12¾	91	119⅞	7.54	+67
I A D B	9⅝	95	111¼	8.04	+75
I A D B	10½	95	115⅝	7.90	+63
I A D B	7⅝	96	97½	8.00	+66
World Bk	11⅝	89	108	6.79	+31
World Bk	10⅝	90	110⅛	6.86	+28
World Bk	11¼	90	113⅛	7.02	+25
World Bk	11½	90	113⅝	7.04	+30
World Bk Jan	7	92	99	7.24	+34
World Bk	11	92	114⅝	7.26	+45
World Bk	10⅝	93	116¼	7.46	+40
World Bk	12	93	121½	7.67	+56
World Bk	12¼	94	125⅝	7.73	+53
World Bk	12⅝	94	128¼	7.76	+55
World Bk	10⅛	95	113⅝	7.80	+54
World Bk	8½	16	98½	8.63	+94
World Bk	9¼	16	104½	8.81	+111
World Bk	9⅝	16	107½	8.83	+112

United Kingdom

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Abbey Natl	7½	92	98¼	7.94	+103
Barclays	10⅛	90	108⅛	7.37	+62
Barclays	10⅝	95	114¼	8.27	+98
BP Capital	9⅝	93	108¼	7.82	+79
BP Capital	9⅛	94	107¼	7.75	+58
Brit Petro	11⅛	92	111½	8.19	+93
British Tel	7⅝	96	97⅛	8.06	+71
Britoil	11⅞	90	107¼	9.39	+89
GEF Co	7⅜	97	98½	7.84	+47
Halifax	7½	92	98⅝	7.97	+106
Marks Spenc	8¼	96	101½	8.00	+68
Midland	11½	92	116	7.92	+90
Natwest	7½	91	99¼	7.55	+72
Natwest	11⅝	92	117¼	7.85	+84

United States

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
A T & T	9	16	100¾	8.97	+127
Aetna Life	7¾	16	99¾	7.77	+69
Amer Genl	8½	98	100	8.47	+107
Amax	12⅝	88	105	7.19	+83
Amex	10¼	90	109⅛	6.84	+14
Amex	10⅞	90	109¾	7.24	+63
Amoco	9¼	16	107½	9.01	+158
Betawest	10¾	92	110⅜	7.86	+84
Betawest	7¾	93	99	7.95	+87
Campbell	10½	95	112⅝	8.39	+88
Campbell	7½	[illegible]	[illegible]	7.96	+53
G E C	8¼	93	103½	7.97	+92
General Re	11½	92	109⅝	9.10	+70
GMAC	10	88	102⅝	7.08	+65
GMAC	10¼	89	106⅛	7.20	+65
GMAC	10½	90	102⅝	9.37	+75
GMAC	11⅝	90	106	9.29	+85
GMAC	7⅝	91	100⅛	7.47	+62
GMAC	8⅝	91	104	7.67	+87
GMAC	10	91	108⅝	7.68	+80
GMAC	10	92	107¼	8.31	+95
GMAC	10¼	92	108¼	8.36	+94
GMAC	8½	93	102⅝	7.89	+80
GMAC	9¾	93	108¼	7.95	+93
GMAC	8	94	100⅝	7.83	+89
GMAC	9⅛	96	105⅝	8.26	+95
I B M	10⅝	89	102⅝	8.25	+70
I B M	12¼	92	112⅝	9.28	+72
I B M	7⅝	93	100⅛	7.59	+45
I B M	10¼	95	111⅛	8.31	+77
I B M	9⅝	00	102⅝	9.30	+67
Kellogg Co	10⅞	90	106¼	8.53	+72
Kiewit	10½	90	105¼	8.34	+102
Kimberley	12	94	122¼	8.02	+80
Liberty Mut	8½	96	102⅝	8.12	+77
Lockheed	7¼	89	100⅛	7.17	+56
M A L I C	7⅝	92	99½	7.74	+85
Marriott	8¼	93	101⅜	8.02	+87
Merrill Lynch	9	89	103½	7.80	+52
Merrill Lynch	10⅝	90	108⅞	7.36	+66
Merrill Lynch	7⅝	91	100¼	7.54	+72
Merrill	8¼	91	103⅝	7.73	+87
Metlife	9⅝	92	107¼	8.15	+89
Metlife	7¾	96	96⅝	8.22	+88
Mony Fund	8¼	96	100	8.24	+87
Morgan Gty	12¼	89	109⅝	7.13	+60
Morgan Gty	12⅝	89	111⅞	7.20	+57
Morgan Gty	7¼	91	99¼	7.49	+55
Morgan J P	10⅝	92	112⅝	7.54	+53
Morgan J P	11¼	92	108⅝	9.00	+64
New England	11⅜	95	116¼	8.81	+139
Pepsico	7¼	91	98⅝	7.53	+64
Pepsico	8⅝	91	103¾	7.42	+60
Pepsico	7⅝	93	98½	7.48	+61
Philip Mrls	7	89	100	6.99	+33
Philip Mrls	9⅛	89	105⅝	7.15	+49
Philip Mrls	7½	91	99⅝	7.52	+64
Philip Mrls	10	95	110⅛	8.30	+84
Philip Mrls	9⅝	98	107½	8.51	+98
Pillsbury	10¼	93	108⅝	8.51	+95
Proct & Gamble	9⅝	92	106⅝	8.43	+60
Proct & Gam	10	95	110	8.28	+83
Proct & Gam	9½	98	107⅝	8.12	+70
Proct & Gam	9⅝	01	107⅝	8.40	+83
Prudential	7⅝	91	101¼	7.39	+55
Prudential	11⅞	92	109⅝	9.29	+187
Prudential	8	93	101¼	7.74	+61
Prudential	10⅝	93	114	7.67	+61
Prudential	12⅝	95	117⅝	8.87	+138
Reynolds Rl	10	97	105⅝	7.79	+92
Reynolds	10¼	93	111¼	7.96	+84
Rockwell	9⅝	90	107⅝	7.33	+40
Sears	11½	88	106⅝	7.16	+74
Sears	10½	91	105	9.05	+76
Sears	12⅝	91	114	7.38	+58
Sears	11⅝	93	120	7.45	+52
Sec Pacific	10½	88	104	7.11	+60
Sec Pacific	11¾	88	107⅛	7.72	+89
Sec Pacific	12	92	118	7.55	+64
Utd Technol	11¼	92	113⅛	7.98	+100
Utd Technol	7⅝	93	97⅝	7.84	+76
Utd Technol	10⅝	95	112	8.56	+180
Warner Lamb	8⅛	96	105⅝	8.06	+75

Western Europe (Other)

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Austr Contr	10¾	90	110⅛	7.17	+45
Austr Contr	10	91	107⅝	7.35	+53
Austria	13⅝	92	125⅞	7.54	+68
Austria	11¼	95	118⅝	7.94	+71
Austria	7⅝	97	98⅝	7.92	+55
Deut Bank	8	96	100	7.99	+55
Deut Bk	13½	89	113⅛	7.27	+66
Deut Bk	14¼	89	115¼	7.25	+65
Deut Bk Fin	9¼	96	104	8.28	+91
DSL Bank	7½	96	95½	8.21	+90
DSL Bank	8⅛	96	99¼	8.19	+86
K F W	7½	94	98½	7.78	+62
Mercedes	7¼	93	98⅝	7.61	+45
Mercedes	7½	93	100⅝	7.31	+21
Philips Lp	8¾	96	103¼	8.22	+92
Shell Oil	9½	90	105⅝	7.62	+56
Unilever	9⅝	92	110½	7.54	+53
Unilever	8⅝	96	105⅝	8.08	+64

Dollar Zero Coupons

Issuer	Mat	Price	Yld Mat	Spd Trsy
Siemens Ex	01	29¾	8.84	+124
A R C O Fin	92	68⅝	8.09	+118
G E C Intl	95	52⅞	8.27	+103
Connect Mnl	00	33⅝	8.49	+113
Prudential	99	36⅝	8.76	+137
S.E.K. Sep	94	55¼	8.19	+78
Sears May27	94	56¼	8.36	+107
Campbell	92	67⅝	7.81	+88
Firstfed	05	19⅝	7.39	+157
Caterpillar	92	64½	8.37	+149
Austria Rep	95	50⅝	8.45	+117
Suntory	93	57	8.78	+178
Caterpillar	94	56⅝	8.59	+142
A D B	04	23¼	8.96	+118
Exxon Cap	04	22⅝	8.83	+104
BP Capital	95	49⅝	8.76	+150
E D F	94	55½	8.72	+92
G D F	92	69	7.72	+81
Exportfin	94	54⅝	8.28	+107
Florida Fed	95	47⅝	8.78	+152
A I G	04	22⅝	8.96	+118
Centrust	10	11⅝	9.73	+194
G E C Feb 17	92	68⅝	7.79	+88
GMAC Ov Feb03	92	68½	7.97	+107
GMAC Ov Oct01	92	64⅝	8.12	+113
Hewlett Pac	91	74⅝	7.81	+102
Xerox Credit	92	68⅝	7.93	+103
G E C Intl	96	47⅝	8.36	+103
G D F	94	58⅝	7.58	+71
Mutual Ben	06	18⅝	9.26	+141
G E C Intl	94	57⅝	8.17	+100
Denmark	98	37⅝	8.97	+144
Gulf Oil	92	68	8.09	+105
N I B	94	55¼	8.19	+98
Penney Jc	94	56⅝	8.53	+124
Sears Jal	98	37½	9.01	+156
Philip Morris	94	55¼	8.51	+133
R J Reynolds	92	68⅝	8.02	+111
S.E.K. Mar	94	57½	8.18	+101
SBC Fin	97	43⅝	8.34	+96
Amex	00	31¾	8.67	+118
G E C Intl	93	63⅝	8.01	+97
Sears	92	68¼	7.98	+107

DM Straights

European

Issuer	Cpn	Mat	Price	Yld Mat	Cur Yld
Amro Bank	5⅝	94	99.58	5.84	5.78
Asfinag	6⅝	95	102.25	6.40	6.40
Audi Fin Nv	7⅝	94	104.25	6.59	7.07
Austr Control	7⅜	89	101.50	6.70	7.27
Austr Control	8⅞	89	102.35	7.77	8.67
Austr Control	7⅝	91	106.25	5.80	7.18
Austr Control	8¼	92	102.25	7.70	8.07
Austr Control	9¼	92	102.80	8.74	9.07
Austr Control	6	96	98.00	6.38	6.12
Austr Control	6⅝	97	102.00	6.47	6.42
Austria	7⅝	89	104.95	5.20	7.27
Austria	7	92	105.85	5.61	6.61
Austria	8¼	92	103.45	7.46	7.97
Austria	8⅛	92	104.50	6.85	7.86
Austria	8	93	109.50	6.14	7.31
Austria	7⅝	94	106.35	6.37	7.13
Austria	6	98	97.25	6.35	6.17
Austrian Contr	6½	88	101.75	5.44	6.39
B F C E	9¼	89	108.75	5.29	8.51
B F C E	8¼	90	109.10	5.20	7.56
B F C E	8⅛	94	111.65	6.14	7.28
B F C E	6½	95	101.50	6.26	6.40
B F C E	6⅛	97	99.50	6.19	6.16
B M W	5¼	96	92.55	6.34	5.67
Barclays	8⅛	98	107.85	7.11	7.53
Beecham	8⅛	92	104.25	7.16	7.79
BHP-Fin 85/95	6⅜	95	102.58	5.96	6.22
Bq Indosuez	7⅞	90	106.50	5.35	7.38
BTR	7⅜	94	103.25	6.81	7.14
C E P M E	8	91	108.30	5.70	7.39
C E P M E	7¼	97	106.00	6.41	6.84
C N A	8⅛	94	108.50	6.63	7.49
C N E	8	93	109.25	6.05	7.32
C N T Aug	9½	92	107.25	7.79	8.86
C N T	7¾	93	107.50	6.30	7.21
C N T	6⅜	96	100.85	6.25	6.32
CCCE 89	7	89	100.25	6.86	6.98
CCF	6⅜	94	100.85	6.22	6.32
Commerzbank	5½	92	99.25	5.68	5.54
Commerzbank	5¾	93	100.00	5.74	5.75
Commerzbank	6½	98	102.75	5.94	6.33
Copenhagen Tel	7	87	99.75	8.09	7.02
Copenhagen	6	90	100.50	5.83	5.97
Copenhagen Tel	8¾	93	110.25	6.70	7.94
Copenhagen	8½	94	107.25	7.13	7.93
Copenhagen	7⅜	95	104.25	6.46	7.07
Cr Foncier	8¼	90	109.50	5.11	7.53
Cr Foncier	7¾	92	105.45	6.46	7.35
Cr Foncier	8¾	92	105.25	7.48	8.31
Credit Natl	8⅛	94	110.25	6.26	7.37
Daimler Benz	5¾	01	92.05	6.43	6.25
Degussa	7½	94	108.65	5.94	6.90
Denmark	6	88	101.38	4.45	5.92
Denmark	7¾	88	102.75	5.26	7.54
Denmark	7⅜	89	105.50	5.11	6.99
Denmark	7⅝	89	104.75	5.21	7.28
Denmark	5⅞	91	100.75	5.68	5.83
Denmark	10⅛	92	117.25	6.03	8.64
Denmark	6¼	93	102.25	5.83	6.11
Denmark	8	93	109.00	6.20	7.34
Denmark	7¾	94	107.65	6.45	7.20
Denmark	7⅞	94	107.65	6.58	7.32
Denmark Mtg Bk	7⅝	95	105.75	6.68	7.21
Deut Bank	6	91	102.00	5.49	5.88
Deutsche Bank	5½	92	99.50	5.62	5.53
Deutsche Bk	6	92	102.25	5.45	5.87
Deutsche Bank	6¼	95	101.00	6.09	6.19
Deutsche Bk	5⅝	96	94.63	6.41	5.94
Dresdner Fin.	4½	92	95.25	5.63	4.72
E D F Sep	8⅞	92	108.75	6.91	8.16
E D F	8⅜	93	109.00	6.63	7.68
E D F	6⅛	96	99.50	6.19	6.16
Elsam	6⅝	93	100.95	6.56	6.69
Finland	7½	91	105.25	5.98	7.12
Girozentrale W	10¾	91	117.85	5.95	9.12
Hammerson	6	92	99.50	6.12	6.03
Heraeus	6¼	96	97.00	6.66	6.44
Heron Intl Fin	7¼	95	101.25	7.05	7.16
Hoesch	7	95	102.25	6.65	6.85
Hoogovens	7⅜	95	102.60	6.94	7.19
IBM Pp	7½	92	100.75	7.71	7.49
ICI Intl	6½	92	101.75	6.08	6.39
Ireland Mar	8½	90	108.00	5.54	7.87
Ireland	8⅞	91	109.85	5.93	8.08
Ireland	8	96	107.55	6.69	7.44
Jydsk Tel	6¾	95	101.00	6.59	6.68
Kae.Elekt.	6⅝	88	101.75	5.16	6.63
Kloeckner Humb	6½	96	96.75	6.96	6.72
Lonrho Intl	7¼	92	102.75	6.66	7.06
Lufthansa	6	96	97.45	6.34	6.14
Lufthansa	6¼	16	93.75	6.74	6.67
Mesal Finance	7	89	103.25	5.31	6.78
Michelin	7¾	90	105.35	5.80	7.36
Midland Bk.	6½	96	99.50	6.56	6.53
Nat Bk Hungary	7¾	93	106.00	6.50	7.31
Nat Bk Hungary	6⅞	96	96.95	7.32	7.09
Neste Oy	6½	92	101.00	6.28	6.44
Nord Lb Fin	6	01	91.00	7.01	6.59
Norges Kommunal	6	90	100.75	5.74	5.96
Norpipe A/S	6	89	100.30	5.86	5.98
Norsea Gas A/S	7¼	88	101.25	6.45	7.16
Norsea Gas A/S	7	89	100.25	6.86	6.98
Norsk Hydro	6¾	89	100.60	6.44	6.71
Norsk Hydro	8½	92	103.05	7.76	8.25
Norsk Hydro	9	92	104.40	7.92	8.60
O E L E G	6½	95	101.25	6.30	6.42
Oest Donaukraf	8	94	106.65	6.81	7.50
Oest Ind Ver	7	95	103.15	6.49	6.79
Oslo	6¾	90	100.15	6.68	6.74
Oslo	8¾	98	106.40	8.25	8.22
Oslo	7¾	93	105.25	6.46	7.36
Philips Gloeil	8½	92	106.50	6.98	7.98
Pk Banken	5¾	96	93.10	6.78	6.18
Portugal	7¾	92	106.25	5.86	7.16
Rabobank	7⅝	94	107.05	6.42	7.12
Rank Xerox	7½	93	106.25	6.23	7.06
Renault	8	90	107.00	5.58	7.48
S C N	8	91	104.75	6.49	7.64
S C N	7⅜	94	103.45	6.74	7.12
S C N	7	95	100.25	6.96	6.98
S C N	7¼	95	102.30	6.90	7.10
S D R	7⅝	93	102.50	7.35	7.44
S K F	7⅜	89	108.00	3.49	6.83
S N C F	8⅝	92	108.25	6.69	7.97
S N C F	7⅝	93	106.25	6.58	7.41
S N C F	8⅛	93	108.50	6.52	7.49
Statoil	6	88	100.25	5.79	5.99
Statoil	6½	89	101.00	5.96	6.44
Stewoco	5½	96	93.00	6.52	5.91
Superfos	7	95	98.25	7.27	7.12
Sweden	8¼	89	103.50	6.62	7.97
Sweden	9¾	92	102.75	9.04	9.49
Sweden	7⅝	94	106.75	6.46	7.28
Sweden	7¼	95	105.20	6.39	6.89
Sweden	6⅛	98	98.00	6.38	6.25
Swedish Export	10¾	91	108.50	7.98	9.45
TauernautobahN	9⅝	94	114.25	6.98	8.49
Thyssen	6¾	95	100.50	6.44	6.72
Vienna	9⅜	92	107.25	7.67	8.74
Volkswagen	7¼	93	105.00	6.33	6.90
West LB	5¾	98	91.50	6.85	6.28
WestL/Utrecht	6	97	94.75	6.45	6.20

Non-European

Issuer	Cpn	Mat	Price	Yld Mat	Cur Yld
Air Canada	9	92	112.25	6.27	8.02
Air Canada	7⅜	93	105.00	6.37	7.02
Allied	7½	94	103.75	6.88	7.23
Amca	7⅜	92	102.75	6.78	7.18
Argentina	6½	88	100.25	4.31	6.48
Australia	6	88	100.25	5.79	5.97
Australia	5⅝	89	101.25	5.22	5.48
Australia P/p	5⅝	90	101.00	5.27	5.49
Australia P/p	5⅝	91	98.25	5.60	5.34
Australia Feb	9⅜	91	113.30	5.47	8.26
Australia Dec	9⅜	91	112.50	6.27	8.33
Australia	7⅝	92	108.25	5.98	7.14
Australia	6⅞	93	105.10	5.62	6.54
Australia	6¼	96	99.75	6.29	6.27
Australia	7¼	96	105.25	6.50	6.87
Avon Intl Fin	7½	93	102.50	6.97	7.32
Bank Of Tokyo	5¾	93	99.50	5.85	5.78
Baxter	7¼	94	103.50	6.61	7.00
Beatrice Foods	7¾	93	103.50	7.06	7.49
Beneficial	9½	89	105.90	6.49	8.97
Bk America	10⅜	88	102.50	8.56	10.12
Bk America	5¾	98	99.70	5.85	5.77
Bk Nova Scotia	5⅝	98	92.00	6.82	6.11
Black & Decker	5¼	96	94.50	6.29	5.56
C I B C	7	88	101.75	5.43	6.88
C P C Finance	6¼	91	99.25	6.52	6.30
Canada	8½	89	107.05	4.98	7.94
Chrysler Pp	7¼	98	102.75	n.a.	7.06
Chrysler	6¾	96	100.50	6.47	6.72
Chrysler	6⅝	97	97.50	6.98	6.79
Citicorp	8	92	105.35	6.76	7.59
Citicorp	6⅜	96	97.50	6.75	6.54
Com Bk Austri	5¼	91	97.75	5.86	5.37
Dai-Ichi	6½	96	100.50	6.42	6.47
Dow Chemical	6¾	95	102.45	6.34	6.59
Dow Chemical	5⅝	96	94.30	6.48	5.97
E D C	6⅞	98	105.75	5.10	6.50
Emhart	6¾	95	101.50	6.51	6.65
Ford Motor	7	95	102.25	6.49	6.78
Genl Motors Co	5¾	96	96.75	6.22	5.94
Gillette Pp	7	91	100.50	6.13	6.76
Gillette Pp	6¾	92	102.75	6.28	6.59
GMAC	8¼	87	101.75	3.69	8.11
Gould Intl	8¼	89	103.50	6.88	7.97
Gould Intl	7⅜	91	100.25	6.79	7.36
Honeywell	6⅝	90	101.75	7.25	6.53
Honeywell Inv.	6¼	97	98.00	6.53	6.38
Ind Bk Japan	5⅝	96	94.75	6.48	5.94
Isec	7¾	93	104.75	6.85	7.40
ITT	7	93	105.50	5.57	6.64
J F M	7⅝	91	105.35	6.17	7.24
Jap Fin Corp	6⅜	92	102.45	5.81	6.21
Jap.Fin.Corp.	5¾	97	97.50	6.09	5.98
Japan Develop	7⅝	87	107.00	5.38	7.35
Japan Develop	7½	90	104.00	6.12	7.21
Kobe City	6½	87	99.75	7.13	6.52
Kobe City	7⅝	89	101.50	6.46	7.82
Kobe City	8	90	101.88	n.a.	7.92
Kobe City	7	93	105.25	5.96	6.65
Kubota	7⅜	90	101.55	6.80	7.26
L T C B	8	90	104.50	6.48	7.64
Malaysia	7½	95	102.25	7.12	7.33
Manitoba Prov	7⅜	93	106.85	6.01	6.90
Manitoba	7⅝	94	106.35	6.53	7.17
Manitoba	6⅜	95	101.50	6.14	6.28
Manitoba	5⅞	96	96.45	6.35	6.05
McDermott	6½	91	100.50	6.35	6.47
McDonalds Fin	7¼	92	104.75	6.72	6.88
McDonalds Fin	7¾	94	106.25	6.64	7.29
Mitsub Heavy	7⅝	87	101.40	5.28	7.58
Mitsui Osk Lin	7¼	88	102.80	5.08	7.11
Montreal	6	92	100.50	5.88	5.97
Montreal Cr	5⅞	98	92.95	6.79	6.32
Mount Isa	7⅝	90	103.15	6.45	7.29
Mount Isa	7¾	92	102.50	7.15	7.56
Nabisco	7⅜	94	105.50	6.36	6.99
Nabisco	6⅞	08	100.25	6.84	6.86
New Zealand	7¼	87	100.95	3.13	7.96
New Zealand	9¼	87	107.55	4.85	9.11
New Zealand	7⅞	88	101.75	6.47	7.74
New Zealand	8¼	89	102.85	6.98	8.02
New Zeala Apr	7¼	91	104.80	5.90	6.92
New Zeala Oct	7¼	91	105.80	5.75	6.85
Nippon Steel	6¾	89	103.00	5.54	6.55
Occidental	6¾	90	101.45	6.23	6.64
Ontario	6	87	101.35	3.19	5.92
Owens Corning	7¼	08	99.75	7.27	7.27
Pepsico	7¼	94	104.45	6.44	6.94
Philip Morris	7½	90	102.50	6.41	7.25
Philip Mrls	6	96	97.50	6.07	6.03
Pillsbury	6⅝	92	103.15	5.96	6.42
Quebec Hydro-E	10¼	91	117.05	6.07	8.76
Quebec Hydro-E	8	93	109.75	6.01	7.29
Quebec Hydro	7¾	94	107.25	6.45	7.23
Quebec Hydro	7⅛	95	104.60	6.39	6.81
Quebec Hydro	5½	96	95.80	6.33	5.79
Quebec Hydro	6	16	85.50	7.20	7.02
Quebec Prov	7¼	87	100.25	5.96	7.23
Quebec Prov	6	90	101.50	5.46	5.91
Quebec Prov	7½	91	106.25	5.75	7.06
Quebec Prov	10¾	91	118.45	5.90	9.06
Quebec Prov	10⅛	92	117.75	5.90	8.60
Quebec Prov	7⅝	95	106.50	6.55	7.16
Quebec Prov	6½	98	99.50	6.56	6.53
Royal Bk Cda	7¾	90	102.75	6.80	7.54
Sperry Corp	8	94	105.00	7.10	7.62
Sterling Drug	7¼	94	103.00	6.78	7.04
Sumitomo Fin	7¾	90	103.25	6.72	7.51
Sumitomo Fin.	8	91	107.50	6.01	7.44
Tenneco Intl	9	92	103.00	8.26	8.74
Tenneco	6⅞	95	100.75	6.75	6.82
Tokyo Elec.	6	97	97.60	6.33	6.15
Union Oil Of C	6⅛	98	82.50	8.62	7.42
UTC	7¼	91	104.75	6.03	6.92
UTX	7⅝	92	105.00	6.55	7.26
Venezuela	9¾	90	104.75	8.18	9.31
Westpac	5⅞	96	93.50	6.85	6.28

Supranational

Issuer	Cpn	Mat	Price	Yld Mat	Cur Yld
A D B	5½	88	100.40	5.12	5.48
A D B	7¼	89	101.65	6.47	7.13
A D B	10¾	89	112.15	5.63	9.59
A D B	8⅜	90	103.60	7.21	8.08
A D B	10	90	102.85	8.91	9.72
A D B	7¾	91	107.95	5.61	7.21
A D B Apr	10	91	107.15	7.88	9.33
A D B	8¼	92	110.25	6.06	7.48
A D B Apr	9¼	92	113.35	6.13	8.16
A D B Aug	9¼	92	114.00	6.14	8.12
A D B	8½	93	111.75	6.38	7.61
A D B	7¾	94	107.50	6.40	7.21
A D B	6½	95	100.65	6.37	6.46
A D B	6¼	96	98.00	6.40	6.25
A D B	7⅞	97	107.75	6.47	7.39
African Dev Bk	10	87	110.25	5.40	9.07
African Dev Bk	6¼	96	95.55	6.96	6.50
Council Europe	6¼	87	100.75	4.94	6.20
Council Europe	6¼	88	101.35	5.43	6.17
Council Europe	7	88	101.75	5.58	6.88
Council Europe	7¼	89	101.50	6.47	7.14
Council Europe	7½	89	102.75	6.29	7.30
Council Europe	8	92	108.80	6.20	7.41
Council Europe	8¼	92	105.25	7.08	7.84
Council Europe	8⅝	92	106.75	7.16	8.20
Council Europe	7⅞	93	105.00	6.83	7.50
Council Europe	8¼	93	107.25	6.85	7.69
Council Europe	8⅝	93	106.80	7.15	7.90
Council Europe	6⅝	94	101.00	6.95	6.56
Council Europe	7½	94	105.55	6.64	7.11
Council Europe	6⅝	95	101.25	6.42	6.54
Council Europe	7⅝	95	105.25	6.64	7.33
E C S	6½	88	101.40	3.28	6.29
E C S	7	88	101.90	4.55	6.87
E C S	5¼	90	100.00	5.25	5.25
E C S	8	90	108.90	5.57	7.41
E C S	7	91	101.00	4.71	6.93
E C S	7	92	104.25	6.18	6.71
E C S Jan	7½	93	105.10	6.43	7.14
E C S May	7½	93	105.50	6.39	7.11
E C S	8	94	103.75	7.33	7.71
E C S	9¾	94	108.50	8.09	8.99
E C S	7	95	103.00	6.52	6.80
E C S	6⅞	97	102.75	6.51	6.69
E E C	8	92	109.45	5.73	7.31
E E C	8¼	93	108.45	6.56	7.61
E E C	7⅝	94	102.75	7.38	7.44
E E C	8	94	103.40	7.40	7.74
E E C	9⅝	94	108.80	8.22	9.03
E E C	7⅝	95	102.00	7.34	7.52
E E C	7⅜	96	104.75	6.53	7.03
E E C	6½	97	101.55	6.29	6.40
E I B	10	89	108.50	5.24	9.22
E I B	5¼	90	100.00	5.25	5.25
E I B	6	90	102.25	5.28	5.87
E I B	7⅝	90	102.40	7.04	7.49
E I B	8½	90	103.25	7.42	8.23
E I B	6½	91	102.75	5.48	6.33
E I B	8	91	109.15	5.74	7.33
E I B Apr	10½	91	106.75	8.47	9.84
E I B Aug	10½	91	108.50	8.13	9.68
E I B	10¾	91	108.25	8.36	9.93
E I B Oct	8¼	92	108.50	6.38	7.60
E I B Dec	8¼	92	108.35	6.48	7.62
E I B May	8⅜	92	107.50	6.62	7.79
E I B Aug	9⅝	92	109.15	7.26	8.55
E I B	10	92	110.25	7.43	9.07
E I B May01	7½	93	104.25	6.34	7.86
E I B Feb23	7½	93	108.00	5.80	6.94
E I B Mar	7¾	93	106.75	6.36	7.26
E I B	8	93	106.00	6.62	7.41
E I B	8¼	93	108.90	6.62	7.58
E I B	7¼	94	105.25	6.37	6.89
E I B	7⅞	94	108.00	6.50	7.29
E I B Mar	8	94	108.15	6.51	7.40
E I B Jun	8	94	108.35	6.61	7.38
E I B	8¼	94	107.35	6.57	7.58
E I B	6⅝	95	103.10	6.29	6.42
E I B	5⅝	96	95.30	6.31	5.90
E I B	6¼	96	99.80	6.26	6.19
E I B	6⅜	96	100.50	6.30	6.34
E I B	6	97	98.50	6.21	6.09
E I B	6¼	97	99.25	6.14	6.34
E I B	6⅝	97	100.50	6.41	6.59
E I B	7⅜	97	106.75	6.45	6.91
E I B	5⅝	98	93.25	6.36	5.99
E I B	5⅞	16	88.00	6.86	6.76
E I B	4	16	86.50	n.a.	6.94
Euratom	7⅜	93	104.25	6.51	7.07
Eurofima Pp	5½	88	99.50	5.80	5.53
Eurofima	10¼	91	108.75	7.32	9.43
Eurofima	7¾	92	106.25	6.33	7.29
Eurofima	9	92	108.25	7.02	8.31
Eurofima Bull	2	94	85.50	3.94	2.34
Eurofima Bear	2	94	105.00	1.34	1.90
Eurofima	7⅝	94	107.45	6.30	7.10
Eurofima	6¼	96	100.35	6.19	6.23
Eurofima	6⅜	97	100.15	6.25	6.37
I A D B	9¼	87	102.50	5.57	8.90
I A D B	7¾	91	107.50	5.64	7.21
I A D B May	7⅛	92	106.00	5.85	6.72
I A D B	8¼	92	109.50	6.12	7.53
I A D B	9	92	112.50	6.08	8.00
I A D B	7¾	93	107.95	6.14	7.18
I A D B	8	93	108.75	6.32	7.36
I A D B Jan	8¼	93	109.25	6.38	7.52
I A D B Aug	8¼	93	110.25	6.29	7.48
I A D B Dec	8¼	93	111.25	6.16	7.42
I A D B	7½	94	106.50	6.41	7.04
I A D B Pp	7⅜	95	101.50	6.89	7.22
I A D B	7¼	95	104.35	6.55	6.95
I A D B	6¼	96	99.25	6.35	6.30
I A D B	4	01	71.15	7.01	6.59
IFC	6⅝	92	101.75	n.a.	6.51
IFC	5⅝	96	94.80	n.a.	6.33
World Bk	6¾	88	102.65	4.63	6.57
World Bk	6⅜	88	100.50	5.90	6.34
World Bk	7⅝	89	104.85	4.87	7.27
World Bk	5⅝	90	100.95	5.37	5.70
World Bk	7½	90	106.40	5.35	7.04
World Bk	7⅞	90	107.30	5.58	7.34
World Bk Aug	8	90	108.45	5.38	7.38
World Bk	10	90	113.00	5.42	8.85
World Bk Pp	6	91	101.25	5.44	5.93
World Bk Pp	7⅛	91	104.80	5.89	6.87
World Bk	7⅜	91	105.00	6.23	7.02
World Bk	7¾	91	108.25	5.42	7.15
World Bk	9¼	91	112.15	5.44	8.25
World Bk	10	91	115.55	5.34	8.59
World Bk	10⅜	91	117.20	5.61	8.82
World Bk Pp	6⅜	92	102.50	5.52	6.22
World Bk Pp	6⅜	92	102.25	5.84	6.29
World Bk Pp	6¾	92	103.75	5.95	6.51
World Bk	7¼	92	104.10	5.96	6.92
World Bk	7¾	92	108.85	5.67	7.13
World Bk	8⅛	92	110.00	5.88	7.39
World Bk	8¼	92	110.65	5.88	7.46
World Bk	8⅝	92	111.55	5.57	7.64
World Bk	9	92	113.15	6.18	7.95
World Bk	9⅝	97	118.45	6.02	8.27
World Bk	5¾	93	98.50	6.04	5.84
World Bk Pp	5¾	91	98.00	6.03	5.84
World Bk	7¼	93	107.00	5.82	6.78
World Bk	7½	93	108.25	5.86	6.93
World Bk	8	93	110.45	6.04	7.23
World Bk Nov	7⅝	94	108.25	6.23	7.04
World Bk	8	94	110.50	6.30	7.24
World Bk	8⅛	94	110.75	6.28	7.39
World Bk	6½	95	101.35	6.38	6.41
World Bk	7	95	103.75	6.40	6.75
World Bk	7⅛	95	104.75	6.34	6.80
World Bk	7¼	95	105.50	6.34	6.87
World Bk	7¾	95	108.75	6.33	7.13
World Bk	5⅝	96	94.50	6.27	5.96
World Bk	6	96	97.65	6.38	6.15
World Bk	5⅞	97	97.75	6.18	6.01
World Bk Mar	6¼	16	71.75	6.92	6.81

DM Zero Coupons

Issuer	Mat	Price	Yld Mat
Austria	95	114.50	n.a.
Commerzbk	95	56.75	7.32
Commerzbank	98	38.75	7.31
Euro DM Sec C	96	52.75	7.27
Euro DM Sec B	06	26.50	7.38
Euro DM Sec D	06	26.25	7.25
Euro-DM A	06	26.50	7.22
Euro-DM C	06	26.50	7.19
Euro-DM A	11	19.80	7.15
Euro-DM D	11	19.00	7.35
Euro-DM C	16	11.50	7.71
Euro-DM	16	12.00	n.a.
Euro-DM B	16	11.75	7.64
Federal Sec.	07	26.50	6.92
World Bk	15	14.70	6.41

ECU Straights

Issuer	Cpn	Mat	Price	Yld Mat	Cur Yld
Aegon	7¼	95	95⅝	7.94	7.57
Aerospatiale	7⅝	92	97⅝	8.14	7.79
All Nippon Air	9	95	106⅝	7.90	8.46
Austria	10⅝	93	110	8.39	9.66
B F C E	9¼	92	108⅝	7.58	8.58
B F C E	8⅝	93	102½	8.10	8.45
B F C E	9⅝	95	107⅝	8.47	9.15
B N P	7¼	93	97½	7.62	7.31
B N P	7⅞	93	100⅝	7.80	7.85
B N P	8⅝	95	104⅝	8.09	8.48
Bacob Finance	7¼	93	94	8.58	7.71
Bayerische Ver	8⅜	88	100¾	7.86	8.32
Bco Di Roma	8¼	92	100⅞	8.05	8.18
C C C E	7½	92	100	7.50	7.50
C C C E Wts		06	11	n.a.	
C C F	9¼	95	106½	8.27	8.72
C N T Tra A	9⅝	92	108⅝	7.65	8.98
C N T Tra B	9⅝	95	107⅝	8.49	9.35
Cargill	8⅝	95	103⅝	8.34	8.41
Colgate-Palmol	8	91	101¾	7.48	7.86
Cr.Lyonnais	6⅝	92	95	7.60	6.77
Credit Du Nord	9¾	91	106½	7.89	9.15
Credit Natl	8⅞	95	105⅝	7.89	8.39
Creditanstalt	8⅞	94	105⅛	7.95	8.44
Dai-Ichi	7⅝	97	95⅝	8.06	7.97
Denmark	7¾	92	100½	7.42	7.71
Denmark	7⅞	94	100	7.87	7.87
Denmark	7⅝	96	97⅞	7.95	7.79
E C S Tran A	10⅝	89	106⅝	7.98	10.13
E C S	8	97	101⅝	7.72	7.85
E D C	6⅝	96	91⅝	7.78	6.96
E D F	9⅝	95	107⅝	8.36	9.04
E D F	9	97	105⅝	8.13	8.50
E D F	7⅛	98	94⅝	7.83	7.52
E E C	7¾	91	100	7.36	7.37
E E C	7½	92	99⅝	7.53	7.51
E E C	8⅝	93	105	7.88	8.45

(Continued on Page 13)

American Exchange Options

Figures as of close of trading Friday.

Feb. 20

Option & price | Calls | Puts

Total volume 344,282

Open interest 892,882

r—Not traded. s—None offered. o—Old.

Chicago Exchange Options

Figures as of close of trading Friday.

Feb. 20

Option & price | Calls | Puts

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
American Express Bank	$200	1999	⅛	100	—	Over 3-month Libor. Redeemable in stock or in cash at maturity. Callable in 1992 against cash or stock. Fees 0.375%. Denominations $10,000.
Christiania Bank	$ 30	1997	libor	101⅜	—	Coupon will be pegged to 6-month Libor, rising if Libor falls and falling if Libor rises. Noncallable. Fees 2%. Denominations $5 million.
TOPS Number Two	$100	1992	⅛	100	—	Over 3-month Libor. Sinking fund to start in 1991. Fees 0.10%. Denominations $50,000.
FIXED-COUPON						
Atlantic Financial Federal S & L	$175	1990	7¼	101¼	99.95	Noncallable. Fees 1⅜%. Registered notes in denominations of $100,000.
General Electric Credit	$250	1992	7⅛	101.65	99.53	Noncallable. Fees 1⅝%.
GMAC	$200	1992	7⅜	101	99.00	Noncallable. Fees 1⅜%.
Macmillan Bloedel	$100	1996	9	100⅝	99.73	Noncallable. Fees 2%.
Marubeni Int'l Finance	$ 30	1992	7¾	101¾	—	Noncallable. Fees 1⅝%.
New Zealand	$150	1997	8	99¾	98.25	Noncallable. Fees 2%.
Sanwa Bank (London)	$100	1994	8	101⅞	100.38	Noncallable. Loan participation certificates issued by Morgan Guaranty GmbH in the name of Sanwa Bank. Fees 1⅜%.
Swedish Export Credit	$125	1991	7	100¾	99.00	Noncallable. Fees 1⅛%.
World Bank	$250	1997	7¾	101	99.25	Noncallable. Fees 2%.
Air Canada	DM 200	perpt	6⅝	100	—	Coupon will be 6⅝% until 1994 and will then be reset every 3 years. Callable at par in 1994 and every 3 years thereafter. Fees 2½%.
Avis Financial Services	DM 100	1992	5⅝	100	98.75	Noncallable. Fees 2%.
Central Bank of Turkey	DM 125	1992	6⅞	100	—	Noncallable. Fees 2%.
European Community	DM 300	1993	5⅝	100	98.75	Noncallable. Fees 1⅛%.
Australia	£ 100	1997	10¼	100¾	99.63	Noncallable. Fees 2%.
Norsk Hydro	£ 50	1992	10	100⅝	98.63	Noncallable. Fees 1⅜%.
Nederlandsche Middenstandsbank	DF 150	1992	6	100	—	Noncallable private placement.
Philips Gloeilampenfabriek	DF 150	1992	5¾	99½	—	Noncallable private placement.
Royal Nedlloyd Group	DF 150	1992	6½	100	—	Noncallable. Redemption amount at maturity will be in U.S. dollars, at a fixed exchange rate of 2.01 guilders per dollar.
Swedish Export Credit	DK 300	1993	10¾	100⅛	98.25	Noncallable. Fees 1⅝%.
Ireland	ECU 100	1999	8	98⅝	96.25	Noncallable. Fees 2⅛%.
Marubeni Int'l Finance	ECU 20	1992	8⅜	101¾	—	Redemption amount at maturity will be linked to the West German Treasury's 6% bonds due 2016, will increase if price rises and decrease if price falls. Noncallable. Fees 1⅜%. Denominations 100,000 ECUs.
Marubeni Int'l Finance	ECU 20	1992	8⅜	101¾	—	Redemption amount at maturity will be linked to the West German Treasury's 6% bonds due 2016, will decrease if price rises and increase if price falls. Noncallable. Fees 1⅜%. Denominations 100,000 ECUs.
Mortgage Bank of Denmark	ECU 75	1992	7⅝	101⅜	100.00	Noncallable. Fees 1⅝%.
Deutsche Bank Finance (Curaçao)	C$ 125	1994	9	101½	100.25	Noncallable. Fees 1⅜%.
Girozentrale & Bank der Oesterreichischen Sparkassen	C$ 75	1994	9	101½	99.00	Noncallable. Fees 1⅝%.
Nippon Credit Bank (Curaçao) Finance	C$ 75	1994	9⅛	101½	99.63	Noncallable. Fees 1⅝%.
Bayerhypo Finance	Aus$ 50	1992	14½	101⅜	100.13	Noncallable. Fees 2%.
Exportfinans	Aus$ 50	1990	14¼	101½	98.63	Noncallable. Fees 1½%.
Metallgesellschaft Finance	Aus$ 50	1992	14½	101½	98.88	Noncallable. Fees 2%.
Austria	¥ 20,000	2007	5⅜	102	—	Noncallable. Fees 2⅝%.
Crédit Lyonnais	¥ 15,000	1992	5	102½	100.75	Noncallable. Fees 1⅜%.
Finland	¥ 15,000	1996	5¼	101⅞	99.75	Noncallable. Fees 2%.
Société Générale	¥ 20,000	1992	5½	104⅝	—	Noncallable. Fees 1⅝%. Denominations 100 million yen.
Société Nationale des Chemins de Fer Français	¥ 20,000	1993	4⅝	101½	99.50	Noncallable. Fees 1⅝%.
State Bank of Victoria	¥ 10,000	1992	5	101⅜	100.13	Noncallable. Fees 1⅝%.
World Bank	¥ 50,000	1994	4⅝	101½	99.75	Noncallable. Fees 1⅛%.
WARRANTS						
Merrill Lynch Int'l Bank	0.10	1990	—	$50	—	Each warrant entitles holder to buy $500 at a fixed exchange rate of 1.815 marks per dollar.

T-Bonds Dip As Dealers Wait Out the Weekend

New York Times Service

NEW YORK — Prices of Treasury notes and bonds declined moderately Friday as participants moved to the sidelines to await the impact of a moratorium on Brazilian debt, a rate cut in Japan and the Group of Five meeting.

The bellwether long-term bond, the 7.5 percent issue due in 2016, was offered late Friday at 99 10/32, down 7/32, to yield 7.56 percent.

U.S. CREDIT MARKETS

That was 1 basis point, or one-hundredth of a percentage point, below that of a week ago.

The key long-term note, the 7.25 percent issue of 1996, also fell 7/32, to 100 2/32, and now yields 7.23 percent.

Maria F. Ramirez, a managing director and money market specialist at Drexel Burnham Lambert, said, "Many fear that a moratorium on interest payments by Brazil could be followed by the Philippines and several other countries that are financially hard-pressed.

"But, as far as our credit market is concerned," she said, "Brazil's action could diminish the likelihood of any tightening by the Fed or other changes in its policy for the foreseeable future."

But some analysts, noting that the "ted spread" had widened, believed that the market had already reacted to the Brazilian development. The ted spread is the difference between Treasury bill and Eurodollar futures.

The pivotal June Treasury bill contract closed Friday at 94.56 and the same Eurodollar delivery at 93.66. This ted spread of 0.96 compared with one of 0.77 early last week.

"While the recent drop in Treasury bill rates has caused the ted spread to widen," Ms. Ramirez said, "it does not mean that there has been a flight out of the certificates of deposit of the banks with large exposures in Brazil.

"In fact, there has been no such flight," she added. "What may account for the wider ted spread is the fact that the supply of Treasury bills has been shrinking for the past two months."

The discount rate on the 90-day U.S. Treasury bills traded late in the session was 5.47 percent, off a basis point. But the six-month bills jumped 11 basis points, to 5.50 percent, and the one-year bills rose 3 basis points, to 5.61 percent.

U.S. Consumer Rates

	Feb. 20
Passbook Savings	5.50 %
Tax Exempt Bonds Bond Buyer 20-Bond Index	6.62 %
Money Market Funds Donoghue's 7-Day Average	5.48 %
Bank Money Market Accounts Bank Rate Monitor Index	5.42 %
Home Mortgage, FHLB average	9.86 %

Source : New York Times.

U.S. Urges Seoul to Allow 2 Plants

Agence France-Presse

SEOUL — Washington has urged authorities here to allow two U.S. companies to proceed with plans to set up chemical plants in South Korea despite charges that the plants may cause pollution, a company official said.

The U.S. Environmental Protection Agency has sent a letter to the South Korean authorities supporting the contention by Du Pont Co. and Kerr-McGee Corp. that the titanium dioxide plants would not cause a pollution problem, a senior official of Du Pont said Saturday.

Du Pont and Kerr-McGee applied to the Finance Ministry a year ago to build the plants on the southern coast, but the applications were refused. The Du Pont official attributed the refusal to a "misconception" that the plants would cause pollution.

South Korean newspapers have charged that the two chemical multinationals were attempting to export a "pollution industry" with no regard for the safety of South Korean citizens.

Plans by Du Pont Far East Inc., a subsidiary of the U.S. company, to build a titanium dioxide plant in Taiwan were indefinitely postponed by authorities there last year following months of public pressure.

Du Pont has proposed to hold a seminar for government officials and chemical experts and to send an observer delegation to the United States to support its case, the official said. He said these efforts had produced no results.

Titanium dioxide is a chemical whitener used in products that include paints, plastics and toothpaste. Metal-chloride waste, produced in its manufacture, is usually dispersed at sea.

Pan Am Says It May Sell Off Unprofitable Shuttle Service

New York Times Service

NEW YORK — Pan American World Airways Inc., which started a shuttle service in Washington-New York-Boston corridor just five months ago, has told its employees that it may sell the service unless it can make a profit.

"Our direction from the board of directors is clear and flexible: make it profitable or get rid of it," C. Edward Acker, Pan Am's chairman, said in a letter to the airline's 21,500 employees.

A source close to Pan Am, who asked not to be identified, said Friday that the shuttle was being "shopped around." He declined to identify prospective buyers or an asking price.

Industry analysts said that American, USAir and Delta could be interested in acquiring the shuttle operations. They said the shuttle could fetch at least $100 million, or about what Pan Am paid to buy gates and slots, lease airplanes and renovate the Marine Air Terminal at La Guardia Airport.

Pan Am's management recently rejected an offer from four of the carrier's five unions to reduce labor costs by $660 million in exchange for stock, seats on the board and promises of job security.

Analysts said that at this juncture of negotiations each side was engaging in brinkmanship.

"Right now, it's a threat to get more concessions from the unions," one analyst said, "but if there aren't enough concessions, the threat" of a sale "could become real."

Eastern Airlines' shuttle still carries 7 out of every 10 shuttle passengers in the fiercely contested Northeast market.

Pan Am objected strongly last year to the merger of Eastern and Texas Air Corp., which also owns New York Air and the old People Express, because the takeover would give Texas Air's units a virtual monopoly over the market.

Taiwan Airline Profit

Reuters

TAIPEI — China Airlines, Taiwan's flag carrier, said it made a profit of about $17 million on revenue of $666 million in calendar 1986, the first profit after six consecutive years of losses.

KIDDER: *Mismatch With Its Superstar Siegel May Have Fueled Insider-Trading Abuses*

(Continued from first finance page)

1986, that was up to $2.5 billion.

The firm also scoffs at widespread suggestions on Wall Street that Kidder's mergers and acquisitions unit was stalled when Mr. Siegel left a year ago. "Now," says a spokesman, "you no longer have one superstar, you have a group of people who are working together."

No Kidder or General Electric executive would be interviewed for attribution for this story. Kidder eventually decided to make a spokesman available for an interview on the condition he not be identified.

Mr. Siegel pleaded guilty on Feb. 13 to misusing inside information. The government also charged that Kidder's arbitragers made millions for the firm's own account by using illegal tips that Mr. Siegel fed them.

"There seemed to be a very real expectation that Siegel was about to go down," one Kidder insider said, "but nobody expected that he would try to take Kidder down with him."

Mr. Siegel's accusations could embroil the firm in countless lawsuits. Two of its arbitragers, Timothy L. Tabor, who left the firm last year, and Richard B. Wigton, are facing criminal charges. Both men say they plan to fight the charges. Federal prosecutors have subpoenaed Kidder's trading records.

One key question is likely to be whether Kidder did a proper job of preventing its investment bankers from leaking confidential information to its traders.

Investigators are likely to examine whether Mr. Siegel and other Kidder investment banking executives were too deeply involved in the firm's arbitrage operation, which traded in takeover stocks.

Mr. Siegel and another Kidder executive, Max C. Chapman Jr., studied whether to move the firm into arbitrage trading in 1979, a company spokesman said. At that time, Kidder decided not to create a formal arbitrage department, the spokesman said.

Later, according to the government, Mr. Siegel would periodically advise the firm's arbitragers about stock positions based on inside tips he obtained from a source at Goldman, Sachs & Co.

Mr. Siegel was held in awe throughout the firm, and Kidder sources say that although he had no formal role in the arbitrage operation, his frequent suggestions on takeover stocks were almost always followed.

Kidder's spokesman said the firm had a strict policy that prevented investment bankers from talking about their own deals. However, he said: "People in the mergers and acquisitions department are going talk to people in the trading department."

To those who know Kidder best, there was a painful familiarity about the damage that might be done to the firm's hopes because of the Siegel case. During the long tenure of the firm's all-powerful chairman, Ralph D. DeNunzio, who took power in the late 1970s, Kidder has not seemed able to sustain momentum in climbing the investment banking ranks, critics say.

Although he is an aggressive manager, Mr. DeNunzio tends to be interested in the details of running the firm, not in or long-term strategy.

By about 1980, many insiders felt that Kidder had to choose between two courses. It could either remain a powerful niche firm or try to move into the top rank, as Drexel Burnham Lambert did in the early 1980s with its strong drive into junk-bond financing.

Kidder was an old-line firm that traced its roots back to genteel Boston investment circles in the 1820s, and it lacked the style of some of its bigger competitors.

It always had less capital than other investment banks. From 1979 to 1985, for example, it increased its capital from $92.4 million to $391.9 million. But Kidder ranked 15th both years.

Kidder could have survived in the short term, many insiders believed; it enjoyed a healthy 20 percent return on its equity. But many insiders felt it would not find a place in the future unless it undertook a major expansion.

Mr. DeNunzio would not make a decision. He opposed going public, however, and he rebuffed corporate suitors that expressed interest in acquiring Kidder. The result was confusion.

"We'd have management meetings and it would be like a split personality," said one former partner. "Half the group wanted to be junk-bond kings and the other half wanted to be white-shoe bankers."

Mr. Siegel and others believed the only choice was to try to boost revenues to increase the firm's financial base. Some of the firm's key people thought that speculation in takeover stocks would be a good way to increase Kidder's revenues.

> **'We'd have meetings and it would be like a split personality. Half the group wanted to be junk-bond kings and the other half wanted to be white-shoe bankers.'**
>
> ***— Former partner at Kidder, Peabody***

While the firm was debating its future, Mr. DeNunzio, then in his mid-50s, refused to anoint a successor. Mr. Siegel was especially frustrated by this, people who worked with him said.

He was bringing in huge billings and emerging as a major star outside of the firm. But inside, he was not getting the recognition or compensation he felt he was entitled to, according to associates at the time.

Eventually, Mr. DeNunzio seemed to settle on three possible new leaders: Mr. Siegel, Mr. Chapman, who had led the firm into highly complex, lucrative trading in financial futures, and Michael Hernandez, who headed the successful municipal finance division. But Mr. DeNunzio had been known to change his mind.

Some in the office believed he would never allow anyone to move into power as long as he was around.

Last year, Mr. Siegel left to join Drexel Burnham and Mr. Hernandez went to First Boston. Mr. Chapman, a tough former University of North Carolina football player, was named Kidder's president last fall.

Although Mr. Siegel never headed the merger department at Kidder, he would sometimes have as many as fifty young corporate finance associates researching companies and analyzing deals for him.

He put together what was essentially a sales pitch for boards of directors and he took it on the road. He would speak, sometime for hours, about the risks of hostile tender offers, which were just coming into favor as a tool to take control of public companies.

"It was a tremendous show," said one of the people who worked with him at the time. "Implicitly, it told the CEO: 'You worked your whole life to get here, don't lose it.'"

His entrepreneurial style set him apart at Kidder, where he was, a company spokesman was eager to point out last week, "always a little bit of a lone wolf." He was a star at a house that had few stars and he often told people that he thought he deserved more from Kidder.

Seoul to Cut Reserves by Paying Debt

By Carl Gewirtz
International Herald Tribune

PARIS — South Korea, under increasing international pressure to reduce its growing international trade surplus and large accumulation of reserves, plans to reduce those reserves by repaying some foreign debt.

The role of the newly industrialized nations in running trades surpluses was criticized by finance

INTERNATIONAL CREDIT

ministers of six leading industrial powers who met in Paris over the weekend.

Without citing any countries by name, a communiqué issued by the six stated that "these economies have achieved strong growth based . . . on their access to open, growing export markets."

But the statement said that it was important that these countries assume greater responsibility "by reducing trade barriers and pursuing policies that allow their currencies to reflect more fully underlying economic fundamentals."

Both South Korea and Taiwan, the other major newly industrialized nation, peg their currencies to the dollar and those currencies have depreciated along with it.

Meanwhile, South Korea announced that it would prepay a $650 million loan on March 30. Interest on the eight-year loan, arranged in 1984, is expensive by today's standards — ⅜ point over the London interbank offered rate on most of it, and 20 basis points over the prime rate of U.S. banks on the rest.

In all, the Korean Exchange Bank is expected to prepay around $1.4 billion in the next few months.

Foreign lenders see a double purpose in the prepayments — to reduce reserves and international pressure for a currency revaluation, and to soften up the banks in preparation for renegotiating the terms on the remaining debt. The bulk, around $35 billion, of South Korea's $44.5 billion foreign debt is owed to banks and most of that at terms that appear to be too high given the country's financial strength and the lowering of bank charges in other countries.

"South Korea today could raise a new loan at a cost of ¼ to ⅜ point over Libor for 10 years," a senior loan officer of a U.S. bank said.

In fact, the Koreans are expected to negotiate for a rate of ¼ point, or 25 basis points, over Libor on existing debt that has eight years or less still to run.

In other credit business, Gibraltar Financial Corp. of the United States is seeking a $100 million, three-year credit line. It will pay an annual facility fee of 31¼ basis points and drawings on the loan will cost 37½ basis points over Libor. Underwriters taking a commitment of $12.5 million will be paid a front-end fee of 17½ basis points.

United Paper Mills Ltd. of Finland is seeking a $100 million, eight-year facility and is asking banks to underwrite only $30 million of this as a revolving credit. The facility fee starts at 6¼ basis points for the first four years and then rises to 7½ basis points. Drawings on the credit will cost 12½ basis points over Libor.

Pirelli SpA, the diversified Italian tire-maker, increased its note issuance facility to $100 million from the $75 million initially indicated. It is paying an annual fee of 5 basis points and drawings will be set at Libor with utilization fees ranging from 5 to 12½ basis points, depending on how much is used.

Amer Group Ltd., the Finnish tobacco, consumer and sporting goods company, raised $95 million in syndication and opted to increase its credit to only $50 million from the $30 million initially indicated. The financial company intends to draw $30 million, on which it will pay 20 basis points over Libor.

EUROBONDS: *Stock Markets, G-5 Steal the Spotlight*

(Continued from first finance page)

tradable bank loans. Both Air Canada and the Bank of Turkey issued paper that is only of interest to banks.

Air Canada sold 200 million DM of perpetual bonds. Interest for the first seven years is set at 6⅝ percent. Thereafter, the coupon will be reset every three years at ½-point over the average yield on the three-year refinancings of four landesbanken.

The current seven-year finance cost is 6 percent, leaving underwriters whose fees total 2½ percent earning 85 basis points over the domestic cost of money for the first coupon period.

Lenders were given an official government assurance that if stock is ever sold to the public, the government would always remain a majority owner of the airline.

A notable aspect of the terms, the lead manager Credit Suisse First Boston said, is that the base for the coupon refixing is a capital market rate rather than a money-market rate. Normally, money-market rates should be lower than capital-market rates, but on rare occasions the order can be inverted. By linking a capital-market instrument to a capital-market rate, Air Canada reduces the risk that lenders' financing costs could outstrip their income.

The Euroyen market, in addition to suffering from the general lack of investor demand for bonds, had its own problems: too much paper on offer relative to demand, declining interest rates and a stretching of maturities beyond what the market appears to be willing to accept.

Austria set a 20-year life, the longest this market has yet seen, on its 20 billion yen of 5⅛ percent bonds issued at 102. The lead manager, Daiwa Bank, refused to quote a price on where the bonds were trading.

Both the World Bank's seven-year issue and the six-year issue of SNCF, France's state-owned railroad, ran into stiff resistance thanks to the coupons of 4⅞ percent, the lowest yet seen. Both were offered at a premium of 101½ and both ended trading 12½ basis points point below the total commissions paid to underwriters.

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Bitter Corp.	3¼	3⅞
Chiron	29	29¼
GoodWork Foods	15¾	15⅞
MAG Holdings	5	5⅛
NAV-AIR	2⅛	2¼
Spectradyne	19¾	20

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

These are indicative prices as of Feb. 19, 1987

How to get more out of the Trib

Is the U.S. dollar up or down? Turn to Currency Rates, a daily listing in the Business/Finance section of the Trib.

A brief guide to the International Herald Tribune, the global newspaper, for time-pressured readers.

The Front Page

AN INDEX ON THE WORLD

NEWSPHOTOS, PEOPLE, EVENTS.

A perceptive reader once called the IHT "an index on the world" — a phrase that was meant to describe the paper as a whole — but is probably more appropriate to our front page.

Because our audience is so far-flung we don't look at the news through any national or political filter. We strive for a truly international perspective — a global context for our global audience.

We draw on what is probably the world's most prestigious news-gathering network. In addition to our own reporters in key news centers, we have direct access to the reports of all New York Times and Washington Post bureaus around the world. Plus reports from the Los Angeles Times and the major news services: The Associated Press, United Press International, Reuters and Agence France-Presse.

Nearly 3 million words pour into our newsroom computers every day. A team of 40 professional editors selects, processes and condenses those words down to 3% of the original volume. What the editorial team chooses for page one is the most important news from around the world.

Who, What, Where, When, Why, How?

A WIDE SPECTRUM OF VIEWS.

We try to be "scannable." Look at the first sentence of a Trib news story and you'll probably find the answer to most or all of those six vital questions. Stories are written "pyramid-style," with the most important facts up front, and others added in order of descending importance — to make sure you get the most information in the shortest reading time.

What other tenets of good journalism do we subscribe to?

- Fact is strictly separated from opinion. We keep reporting as objective as possible, with judgments attributed to their sources. Opinions are reserved for the editorial pages.
- Accuracy and fairness are paramount. Our editors spend a lot of time painstakingly checking facts and insuring that different viewpoints are represented, so you can be sure that what you read in the Trib is as fair and accurate as possible.

American and European Topics

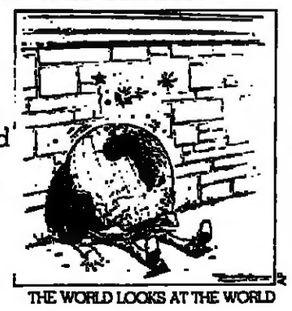
REGULAR NEWS FEATURES

For those who want to keep up with trends in the U.S., "American Topics" appears each Monday, Wednesday and Saturday, usually on page 3.

"European Topics" a similar selection of short, topical items on Europe, appears every Friday.

The Editorial Pages

A FORUM FOR WORLD OPINION



THE WORLD LOOKS AT THE WORLD

No, Helmut Schmidt, John Kenneth Galbraith, the Dalai Lama and Javier Perez de Cuellar do not work for the International Herald Tribune.

But articles by them — and by dozens of other world opinion leaders — have appeared recently on the Trib's editorial pages.

Carefully separated from the news pages, the editorial pages present a wide range of analysis and opinion from many points of view and from every corner of the world.

On topics of particular international significance, the Trib's own editorial writers express the opinion of the global newspaper. Each day, editorials from The New York Times, The Washington Post and other journals give a sense of how other leading newspapers see the world. Among the widely respected columnists that appear regularly on the editorial page are:

- William Pfaff and Flora Lewis, writing on French and European affairs.
- Giles Merritt, writing from Brussels on the European Economic Community.
- U.S. President-watcher David Broder.
- Jonathan Power on the Third World.
- Cartoonists Oliphant, MacNelly.
- and a number of other columnists, representing a wide variety of viewpoints from George Will and William Safire to James Reston, Anthony Lewis and Tom Wicker.

Special Reports

TO READ AND TO KEEP

About 50 times a year, the Trib publishes in-depth reports on countries or topics of particular interest. From the Euromarkets to fashion from Austria to Japan, the reports are of the highest editorial quality. Which is why many readers keep them on file for future reference.

The Features Page

A CHANGE OF PACE

FASHION, ARTS, SCIENCE, CULTURE.

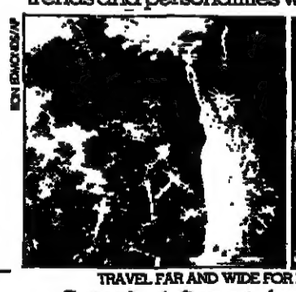
Most Trib readers find that their interests transcend the boundaries of any single culture. As the only newspaper specifically edited for the global citizen, the IHT reflects this international focus in its coverage of the arts and leisure.

Every day of the week, the features page is fresh and different. Hebe Dorsey covers fashion — and the people who make it — on Tuesday.

Wednesday brings "The London Stage," with reviews of British theater.

Every Thursday a special "Science" page covers discoveries in science and medicine.

Friday is the day for the sparkling "Travel" and "Weekend" sections. Special travel columns are designed for the frequent traveler, the gourmet and the discerning shopper. And the arts and culture coverage gives Trib readers special insight on trends and personalities worldwide.



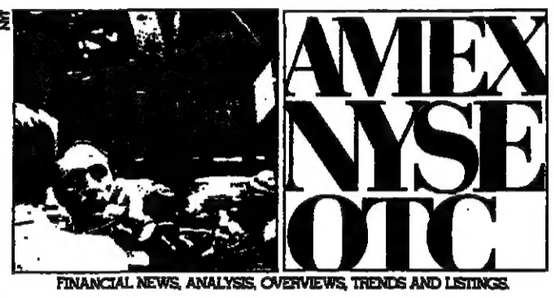
TRAVEL FAR AND WIDE FOR BUSINESS OR PLEASURE.

Saturday's fine arts features are highlighted by Souren Melikian's authoritative coverage of the art markets.

The Business and Finance Section

The Trib's Business & Finance section is now bigger and better than ever. Whatever the subject may be — a basic resource, a major currency, a new product or regulation — the Trib specializes in spotting important trends and spotlights revealing details.

Extensive financial tables include complete daily closing stock prices from the New York Stock Exchange and the American Stock Exchange, plus selected over-the-counter stocks.



FINANCIAL NEWS, ANALYSIS, OVERVIEWS, TRENDS AND LISTINGS.

Other daily listings include world currency rates, key money rates, commodity prices, futures and a round-up of world stock markets. Monday brings a special listing of Eurobond prices, plus mutual funds and a useful OTC list.

And every day of the week now features an exclusive column of special interest to the international business community:

Monday

Eurobonds by Carl Gewirtz, one of Europe's most respected Euromarket analysts. Plus, World Stocks in Review, an overview of trading on major world stock markets and a look at likely developments ahead.

Tuesday

International Stock Markets. Investment strategies for the global portfolio. The trends, the probabilities, the "go" signals and the danger signals.

Wednesday

International Manager. Sherry Buchanan searches out creative solutions to far-reaching problems that cross national borders.

Thursday

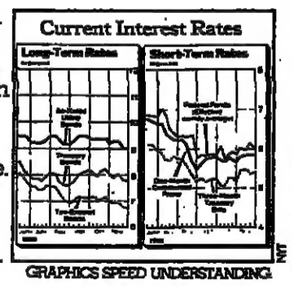
Wall Street Watch. Interviews with analysts about how they're playing the U.S. markets.

Friday

Technology. The devices, the systems, the scientific breakthroughs that revitalize production and transform services.

Saturday

The Economic Scene. Penetrating analyses of the forces that are constantly reshaping the world economy. Plus Friday's closing prices.

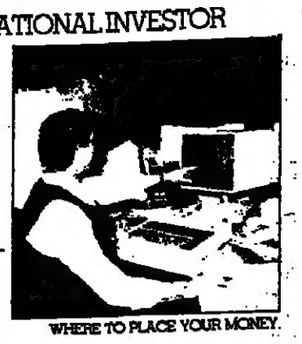


GRAPHICS SPEED UNDERSTANDING.

And if you trade throughout the world's many financial markets, you can follow your stocks in our World Stock Markets tables.

Personal Investing

FOR THE INTERNATIONAL INVESTOR



WHERE TO PLACE YOUR MONEY.

On the second Monday of each month, "Personal Investing" provides an overview of investment opportunities and market conditions worldwide. Edited specifically for the high net-worth individual, this special section provides lively analysis of world investment markets and a wide range of new investment instruments. Each month it presents a fresh and comprehensive report on investment strategies and topics ranging from world stock and bond markets, commodity trading, currencies and real estate to various aspects of personal money management.

The Sports Page

The Trib covers all the international sports: tennis, golf, skiing, sailing, motor racing, rugby, soccer.

Also the latest stories and scores of American sports.

The Back Page

Some readers have admitted that they turn to the back page even before glancing at the front page headlines. Hardly surprising, as this is where three Pulitzer winners alternate:

- Art Buchwald on Tuesday and Thursday.
- Russell Baker on Wednesday and Friday.
- William Safire, writing on Language each Monday.
- The center-of-the-page feature is selected for its wide appeal and excellent writing. And in the "People" corner, interesting names make irresistible reading, day in, day out.

The Classified Ads

How many other dailies do you know with classified sections that offer such headings as "Money Management", "Moving", "Tax-Free Shopping", "Air Couriers" and "Precious Stones"? The Trib's classified ads specifically address the needs of an affluent, mobile, international audience.

In the more common categories, you may want to note the following publication days:

- International Executive Positions each Thursday.
- International Real Estate on Friday.
- International Secretarial Positions each Tuesday.
- Holidays & Travel on Friday.
- International Education on Saturday. (For a copy of all ads that appeared in this section last year, request your complimentary copy of the IHT's International Education Guide.)
- International Business Opportunities, each Wednesday.
- International Art Exhibitions, Auction Sales, Collector's Guide, each Saturday.

The Comics page

HUMOUR, BOOKS, PUZZLES, WEATHER.

Everyone needs a change of pace — and that's why the Trib's comics page is one of its most popular.

You'll enjoy keeping up with the daily exploits of Charlie Brown and the rest of the Peanuts gang, Garfield, Dennis the Menace and all the others.

But that's not all. Rounding out the page are the daily and Saturday crossword, the book review, bridge column, chess problem and jumble word puzzle. And if you're uncertain what to pack for your next trip, consult the world weather report.

How to get the most out of the Trib:

subscribe now and save up to 50% off the newsstand price.*

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Herald Tribune

We hope this guide will help you get more out of the newspaper of which Time Magazine wrote, "Many newsmen believe that for its slim size, the Trib is the most readable and informative daily published anywhere."

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Denmark	D.Kr.	2,300	1,250	690	10	D.Kr. 6.30	D.Kr. 37%
Finland*	F.M.	1,630	880	490	8	F.M. 4.50	F.M. 44%
France	F.F.	1,400	760	420	7	F.F. 3.85	F.F. 45%
Germany*	D.M.	560	300	170	2.70	D.M. 1.55	D.M. 43%
Gr. Britain	£	120	65	35	0.55	£ 0.33	£ 40%
Greece	Dr.	20,000	11,000	6,000	100	Dr. 55	Dr. 45%
Ireland	IrL	140	77	42	0.70	IrL 0.38	IrL 46%
Italy	Lire	350,000	190,000	104,000	1,800	Lire 960	Lire 47%
Luxembourg	L.Fr.	10,700	5,800	3,200	50	L.Fr. 29	L.Fr. 42%
Netherlands	Fl.	634	340	190	3	Fl. 1.75	Fl. 42%
Norway*	N.Kr.	1,650	900	500	8	N.Kr. 4.50	N.Kr. 44%
Portugal	Esc.	19,000	10,400	5,700	125	Esc. 52	Esc. 58%
Spain*	Ptas.	26,500	14,600	8,000	135	Ptas. 73	Ptas. 46%
Sweden*	S.Kr.	1,700	920	520	9	S.Kr. 4.70	S.Kr. 41%
Switzerland	S.Fr.	490	270	148	2.50	S.Fr. 1.35	S.Fr. 46%
Rest of Eur., N. & Ex-French Africa, Middle East	$	400	220	120	Varies by country	$ 0.89	
Rest Africa, Gulf States, Asia	$	520	300	165	Varies by country	$ 1.51	

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23-2-87

Italy Quits Talks, Threatens Summit

Compiled by Our Staff From Dispatches

ROME — Italy, protesting that it had been relegated to a rubber-stamp position in the Group of Seven industrial nations, boycotted a Paris meeting of the group on Sunday and threatened to derail the group's planned economic summit meeting in Venice in June.

Treasury Minister Giovanni Goria, on orders from the Socialist prime minister, Bettino Craxi, notified the French finance minister, Edouard Balladur, shortly before the Paris meeting opened that Italy would not attend. Mr. Goria and his aides quickly flew back to Rome.

Mr. Craxi's office later issued a statement that called Mr. Goria's actions "consistent" and demanded a "clarification of the Tokyo accords, without which the pledges that are undertaken during the summits of the major industrialized nations would risk losing significance and credibility."

"In the absence of a clarification, it is obvious that the planned summit in Venice cannot stick to the expected form and terms," the statement said.

The quarrel began Saturday, when the Group of Five — the United States, Japan, West Germany, Britain and France — met to discuss stabilizing currency-exchange rates and coordination of economic policies.

French officials issued a formal statement denying that a G-5 meeting had been held. Instead, they said that the nations had met for bilateral talks.

But Italian officials concluded that a supposedly private dinner attended by G-5 officials was in fact a working dinner, where all important issues to be discussed at the G-7 meeting had already been settled.

Antonio Baldini, Mr. Craxi's diplomatic adviser, said in Rome that Italy's G-7 partners had seriously violated an agreement reached at the last G-7 summit meeting in Tokyo.

At that meeting, the G-5 nations agreed to bring in Italy and Canada, making the G-7, whenever discussions concerned managing the international monetary system.

> **'How can we have a Venice meeting when this weekend's events suggest it will serve no purpose?'**
>
> — *Antonio Baldini*
> *Italian official*

That agreement was viewed as an important victory for Italy and Canada, particularly Italy, which is about to surpass Britain in the size of its economy. Italy, too, has had a remarkable economic recovery while growth in other Western European nations has stagnated.

Shortly after the meetings ended Saturday night, the new Bank of France governor, Jacques de Larosière; the Treasury director, Daniel Lebegue, and Mr. Balladur visited the Italian delegation at its hotel.

But they were unable to convince Mr. Goria and Carlo Ciampi, the Italian central bank governor, that the Italians had a useful role to play in Sunday's talks.

"We are asking for clarification and if this is not forthcoming there will be no Venice meeting," Mr. Baldini said. The summit meeting is scheduled to be held June 8-10.

Mr. Craxi's aides said they wanted the clarification before the next meeting of the International Monetary Fund in April, and that it should put to rest once and for all Italy's role in the G-7.

"Italy is very disappointed by the behavior of the Five," Mr. Baldini added. "They are clubbing together and clinging to an outdated privilege." He said the decision to hold a G-5 meeting on Saturday was a snub to Italy.

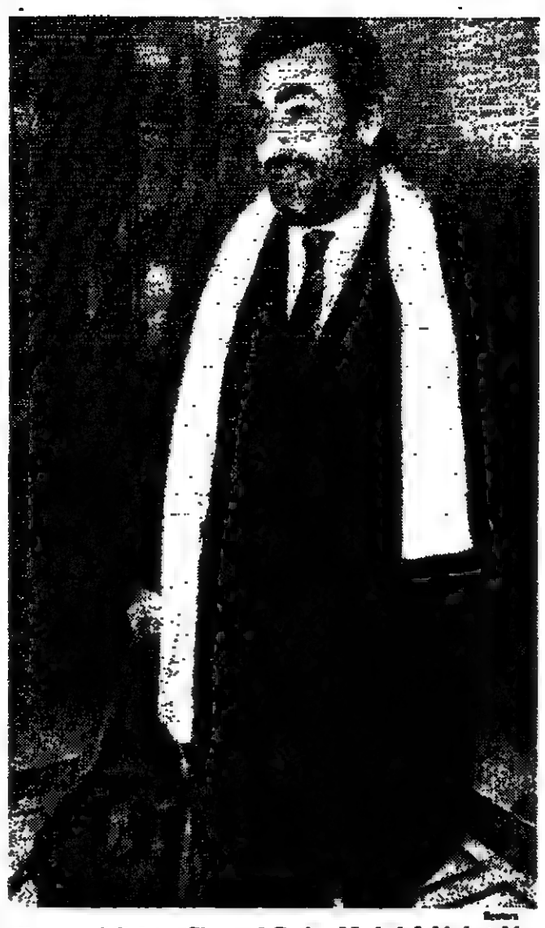
He added: "How can we have a Venice meeting when this weekend's events suggest it will serve no purpose? This has put into doubt the credibility of the five and the industrialized countries' summits."

Sunday's walkout was not completely unexpected. Italian press reports in the past few days, on which official spokesmen in Rome have declined comment, have suggested Rome's disenchantment with the G-7 procedure and said that Mr. Craxi had instructed Mr. Goria to pull out of the G-7 talks if a G-5 meeting took place first.

"If we have the impression that our presence here is superfluous, we will take note that the undertaking of the seven heads of government has not been respected," Mr. Goria told journalists after his arrival in Paris.

Mr. Craxi's five-party coalition faces a confidence vote in early March. The role played by Italy at the weekend meetings was seen as having an impact on the vote.

(Reuters, UPI)



Treasury Minister Giovanni Goria of Italy left his hotel in Paris early on Sunday after Italy decided not to take part in a meeting of the Group of Seven industrialized nations.

PACT: *Ministers, Bankers Agree to Stabilize Currencies*

(Continued from Page 1)

central banks might intervene in the currency markets.

Britain's chancellor of the exchequer, Nigel Lawson, called Sunday's meeting the "direct linear descendant of the Plaza meeting."

He was referring to the meeting Sept. 22, 1985, at the Plaza Hotel in New York, where the Group of Five agreed to take coordinated steps, including central bank interventions, to lower the value of the dollar against other major currencies.

"Now," said Mr. Lawson, "we have all agreed that the time has come for a period of stabilization, and we will act accordingly."

But the U.S. Treasury secretary, James A. Baker 3d, said he "was not prepared to call the meeting 'Plaza-2,'" as Mr. Lawson suggested.

"The agreement is simply to force stabilization at current levels," Mr. Baker said.

He added that "the most difficult negotiations were on the stimulative measures to be taken by the trade-surplus countries."

Monetary experts said it was likely that some agreement on "reference ranges," designed to limit currency movements within specific boundaries, was also reached.

"That is the main question," a Chicago-based foreign exchange dealer said.

"Given the philosophy the Federal Reserve has followed over the past few years," he added, "it is very hard to imagine they have agreed to intervene in the currency markets. The meeting really didn't produce much beyond talk."

But a senior West German banker disagreed.

"The central banks wouldn't risk their credibility by not backing up a statement like this," he said. "It would make it very difficult to formulate new strategies. Without target zones, how are they going to maintain stability in the market?"

Besides emphasizing the need for more stable exchange rates, the nations also came to general agreement on the need for further coordination of economic policies.

The statement called for:

- Greater cooperation between the industrialized nations and the developing world to solve the problems of debtor nations through a worldwide economic recovery.
- Promoting more balanced global growth, with "surplus countries" committing themselves to follow policies designed to strengthen domestic demand and to reduce their external surpluses while maintaining price stability.

"Deficit countries," it said, will seek to encourage steady, low-inflation growth while reducing their domestic imbalances and external deficits.

Communiqué Highlights

PARIS — *Here are highlights of the communiqué issued at the end of Sunday's meeting of six leading industrial nations:*

- "Further progress" has been made since the 1986 Tokyo summit to achieve "sustainable, non-inflationary expansion," although unemployment remains unacceptably high in some countries. Changes in exchange rates "will contribute importantly in the period ahead to the restoration of a more sustainable pattern of current accounts."
- Progress was noted in efforts to reduce budget deficits, introduce fundamental tax reforms and make economies more efficient. Privatization of government assets and business deregulation were other important structural reforms that were being carried forward.
- "Reduction of large, unsustainable trade imbalances is a matter of high priority," and achievement of "more balanced global growth" should be a central role in this respect.
- Participants pledged to step up efforts to resist protectionism and reaffirmed their support for the new round of trade negotiations within the General Agreement on Tariffs and Trade.
- Greater cooperation was needed between the industrialized nations and the developing world in efforts to solve the problems of debtor nations through a worldwide economic recovery.
- To promote more balanced global growth, "surplus countries" committed themselves to follow policies designed to strengthen domestic economies while maintaining price stability. "Deficit" countries will seek to encourage steady, low-inflation growth while reducing their domestic imbalances and external deficits.
- "Newly industrialized economies" were now playing an increasingly important role in world trade, but their recent accumulation of trade surplus had contributed importantly to the current problems of global imbalances, thus increasing protectionist pressures. The meeting agreed that these countries "should assume greater responsibility for preserving an open world trading system by reducing trade barriers and pursuing policies that allow their currencies to reflect more fully underlying economic fundamentals."
- Ministers and governors also agreed to "additional refinements" in the use of economic indicators for the multilateral surveillance arrangements approved in Tokyo last May.

ANALYSIS: *The Message of G-5*

(Continued from Page 1)

willing to provide: He promised to increase the size of tax reductions already scheduled for 1988.

In return, the United States promised to continue efforts to reduce the size of its enormous budget deficit, which is widely regarded as fueling the equally huge trade deficit, and to "foster" stability in the foreign exchange market.

Further substantial shifts in exchange rates, the officials stated, "could damage growth and adjustment prospects." They thus "agreed to cooperate closely to foster stability of exchange rates around current levels."

But neither the official statement nor subsequent comments by the ministers gave any indication of what the upper or lower limits of acceptable "current levels" might be, or how they would be defended.

"The market will be disappointed by the vagueness of the statement," the treasurer of a leading U.S. bank commented, "and may try to move the dollar lower" on Monday.

But he said in a telephone interview that he doubted there would be any serious attempt soon "to test the commitment" to stabilize the rate.

The next big test of the dollar, he predicted, will come when Washington reports the U.S. trade figures for January and the revised figures for December, which initially registered a sharp reduction.

"What the market needs now are facts," the banker said, "and if the figures are interpreted as being bad, then the markets will test the willingness of central banks to stabilize the rate."

He estimated that officials would tolerate a trading range for the dollar of 1.70 to 1.90 Deutsche marks and of 150 to 160 yen. The dollar closed Friday in New York at 1.8190 DM and 153.55 yen.

From its 1985 high through the end of last year, the dollar dropped 37 percent against the yen and 35 percent against the mark. This year, at its worst, the dollar shed another 6 percent against the yen and 8 percent against the mark, causing great difficulties for the export industries in those countries.

The decline ignited fears that the dollar was on a runaway downward path that would wreck exports for the Japanese and West Germans and, by increasing the cost of U.S. imports, set off a new wave of inflation in the United States.

Peru Supports Brazil's Move

Agence France-Presse

LIMA — Brazil's suspension Friday of interest payments on its $109 billion foreign debt was a "valiant decision" that vindicated Peru's own policy, President Alan García Pérez of Peru said on Saturday.

"We hope other countries will adopt the same attitude to limit their payments," he said.

Mr. García called Brazil's action "a historic endorsement" of Peru's policy of limiting its debt servicing to 10 percent of its export earnings. Brazil's moratorium showed "that we are not lunatics," he said.

Mr. García said he had felt since Friday that the Third World debt problem had "reached a breaking point."

DEBT: *After Brazil Suspension, Argentina Threatens to Halt Payments*

(Continued from Page 1)

est of any developing nation, is an estimated $109 billion.

At current interest rates, U.S. creditors would normally receive about $500 million from Brazil each quarter. If the suspension of interest payments extends beyond 90 days, it would hurt banks' earnings because they would then be required by law to put aside reserves to cover overdue payments.

The bankers said they had little choice but to put up with some kind of suspension. The only long-term solution, they noted, was for them to help Brazil devise a plan for fundamental economic reform, in order to lower inflation, increase savings and cool the burst of domestic spending.

"They've got to start negotiating at once to deal with this mess," another international lender said. "Right now, they don't have an economic package to deal with the problems."

Brazil, which has paid no principal on its commercial debt since the country's last financial storm in 1982 and 1983, appeared to have resumed its traditional fast growth rates in 1985 and 1986.

A healthy trade surplus more than covered annual interest payments of $9 billion to $11 billion. Both local officials and foreign bankers had predicted that Brazil would soon resume normal borrowing operations.

But a price freeze imposed last February increased purchasing power and stimulated an unprecedented boom in consumer spending. Consequently, exports slumped and imports rose. The country's foreign exchange reserves then tumbled, bringing on the new debt crisis.

From monthly surpluses of more than $1 billion in mid-1986, the merchandise trade surplus fell to just $129 million in January this year, the lowest in four years.

Similarly, in barely 12 months, reserves dropped from $11 billion to less than $4 billion. Inflation has also soared again in the past three months and is now running at an annual rate of more than 700 percent.

In Friday's address, Mr. Sarney repeated a previous position that too great an effort to pay foreign debt interest would slow internal investment, reducing jobs and thus risking social unrest that could threaten the two-year-old civilian government.

"Bills that are paid in misery are paid with democracy," he said.

While the announcement seemed aimed at stirring nationalistic feelings, it was criticized by opposition leaders of the right and left.

Senator Roberto Campos, planning minister under the former military regime, lamented Brazil's unilateral move, which, he said, was the result of "management incompetence and imprudence."

Noting that world interest rates as well as Brazil's oil import bill fell last year, he added, "There was no external factor to justify Brazil's insolvency."

A prominent labor leader, Luiz Inacio Lula da Silva, whose Workers Party has frequently called for a total halt to Brazil's debt payments, was also critical.

"A moratorium works when you announce it from a position of strength, when you have money and decide to invest it domestically instead of paying it abroad," he said.

"But in this case, I think the moratorium is just bankruptcy."

(NYT, Reuters)

NASDAQ National Market

OTC Consolidated trading for week ended Friday. Feb. 20

A

			Sales in 100s	High	Low	Close	Net Ch'ge
ABS	.60	3.1	8	19½	19½	19½	+1
ACC Cp			440	4¼	3½	3¾	— ⅝
ADC s			2153	20¼	19½	20	+ ¼
AEC	.32	2.5	104	12⅞	12½	12¾	+ ¼
AEL			270	13¼	13	13⅛	— ¼
AEP			98	9½	9	9¼	
AIFS			25	7¼	7	7¼	
AIM Tel			359	5⅝	5¼	5¼	— ¼
ALC Cm			632	2½	2⅛	2½	
ASK			12580	17	15¾	16⅝	+ ⅝
AST			3279	19⅛	17⅞	18	—1¼
AT&E			4570	17⅝	15¼	15⅝	+ ¼
ATI			311	9¾	9⅝	9¾	+ ⅛
AW A			164	3	2⅞	3	
AarnBr			474	8¼	7½	7¾	+ ⅛
AarnRt	.05e	.3	984	15½	14¾	15	
Abingt			1069	18	15¾	16¾	—1¼
Abrams	.24	3.1	20	7¾	7½	7⅞	— ⅛
AcaJoe			10118	3⅛	2⅞	3⅛	+ ⅛
Acadin			630	2⅜	2¼	2¼	— ⅛
Acetrn	t		873	9⅝	8¾	9	+ ½
Acmlin			271	9½	8¾	9½	
AcuRay	.28	.6	16	44¼	44¼	44¼	
Acelo	.14r	.7	163	18¾	17¾	18¾	+1
ACMAT			30	17¼	16	16½	— ½
AcmeSt			317	11⅞	10½	11⅛	+ ⅝
Acivan			4797	1⅞	1⅝	1¼	— ⅛
Actmed			386	35½	34¾	35½	— ¼
Acusn			13156	15¾	14⅛	15¾	+ ⅞
AdacLb			5946	2⅞	2⅛	2⅜	— ½
Adage			422	3	2⅝	2⅞	+ ⅞
AdRsIEl			162	16¾	16¼	16½	+ ¼
Adapt			4091	20¾	17¼	18¾	+1½
AdiaW	.90	2.1	4	43	42¾	43	—1
Adia s	.10	.6	265	18½	17	17¾	+ ½
Admac			614	2½	2	2¼	— ¼
AdobSy			2691	46¼	39½	40¼	—4½
AdvCir			1952	5	4¼	4⅝	+ ⅜
AdCpt			87	4½	4	4	— ¼
AdvGen			5365	5⅛	4⅝	4⅞	+ ⅛
AdvMag			2103	11½	10	11	+1
AdvSem			514	4½	4¼	4½	+ ¼
AdvTel			1546	12½	11⅞	12½	+ ⅝
AdvoSv			755	8½	8	8½	+ ¼

			Sales in 100s	High	Low	Close	Net Ch'ge
AmSoft	.16e	.7	2932	23	22	22¾	+1
ASurg			313	⅝	½	½	—
ATvCm			7479	22¼	20¾	21⅝	+ ⅝
AmTrav			128	8⅛	7¾	8	
AWstCp	t		1227	8¾	8	8	— ⅛
AWood			861	14⅝	14⅛	14⅛	— ⅜
AmFrFd			4044	11¾	10¼	11½	+1
Amrltr	1.76	4.5	4254	39⅝	38⅞	39⅝	+ ⅝
Amrwst			276	19¾	18¾	18⅞	—1⅛
Amertk			1722	2⅞	2⅝	2½	— ⅜
Amgen			7374	34¾	33¼	34⅝	+ ¼
Amistar			1259	8¼	8	8½	+ ¼
AmskB s	.54	2.4	2173	24¼	22½	23	—1
Amosk	1.20a	1.9	28	66½	64½	64½	—1¾
Amvst s	.20	1.9	1672	11½	10½	10½	— ⅞
Amwst	.12	1.0	78	12¾	11½	12¼	+ ¾
Anac pf			852	21½	21¼	21¼	+ ½
Analogic			893	12⅛	11½	11⅝	— ½
AnalyTc	.10	.9	201	13	11½	11½	—1½
Analyt			777	11	10⅝	10⅝	+ ⅝
Anaren			199	7¾	7½	7½	— ¼
AnchrFn	.25e	1.1	5	23½	23½	23½	— ¾
AnchGl			6201	37¾	34¼	37	+2½
AndrGr			63	7⅝	7¼	7¼	— ⅛
Andovr	.30e	2.4	418	12¼	11¾	12¼	+1
AndvSv	.30e	1.5	1053	20⅝	19⅝	20⅝	
AndvTg			123	8	7⅝	7⅞	+ ⅜
Andrew			2345	18½	17¾	18	— ½
Andros			1880	13⅝	11⅞	13⅛	+1¾
Animed			1209	3⅛	2⅝	3	
Anitec s	.30	1.3	697	24	21¼	23¼	+2¼
ApogE s	.12	1.2	1117	10	9⅝	9⅝	— ⅛
ApoloC			18717	23	20⅝	21¼	— ¼
ApplBk			1794	33⅞	30⅞	33⅞	+3¾
AppleC			62005	67⅞	60⅝	61¼	— ⅞
ApldBio			5368	43½	41	41	—2¼
ApldDt			352	6⅛	4⅝	5½	+1⅜
ApldM s			14262	20	17¾	18⅞	+1
ApldSlr			173	11¼	10¼	10⅜	— ⅜
ArabSh			137	4¾	3⅞	4	— ⅜
Archive			4738	9	8¼	8⅝	— ⅜
Arbor			549	18⅝	17½	18	— ½
Arden			17	27¼	27	27	— ¼
ArgoGp			495	26¼	25½	26	+ ¾
ArgoSy			1152	23½	22	22¾	+ ½
Aritch			478	16	15¾	16	

H

			Sales in 100s	High	Low	Close	Net Ch'ge
HHOilT			24	4⅞	4	4	— ⅞
HBO			5804	10¼	9⅝	9¾	— ⅛
HCC	.06	1.2	84	5	4⅞	4⅞	
HDR			719	9¼	8¾	9¼	+ ½
HEI Tx			279	3	2⅝	3	+ ⅜
HEI Mn			221	1½	1⅜	1½	+ ⅛
HMO			334	6⅛	5⅝	5⅝	— ¼
HPSC			3008	13¼	11¼	12¼	— ⅜
HPSC wt			46	5½	5	5½	+ ¼
Haber			798	3½	3	3⅛	
Hach	.16	.9	1	17¾	17¾	17¾	+ ¾
Hadco			306	4⅝	4⅛	4⅞	+ ½
Hadson			2611	7½	7⅛	7½	
HamH s	t		11	6¼	5¾	5¾	— ½
HamOil			1230	15⅞	15½	15⅞	+ ⅛
Hamnd			509	10⅛	8¼	9½	+ ½
HanaBi			1112	7⅛	6⅞	7⅛	+ ⅜
HanvCa	.50e	11.1	109	5¼	4¼	4½	— ¼
Hanvin	.56	.8	333	72½	69¼	72½	+2¾
Harken			1376	4⅛	3½	3½	— ⅞
Harleys	.32	1.8	782	17⅝	16¼	17¾	+1½
Harlyn			47	3½	3	3½	— ⅛
Harlnt			896	14⅛	13¾	14½	+ ¼
Harman	.13	1.7	140	8	7⅝	7⅞	— ⅛
HarpG s			1485	20	18¾	18¾	— ¾
HrtfNt s	1.20	4.2	3714	29	27⅞	28⅝	+ ⅞
HrtfdS s	1.60	2.5	785	64½	60¾	64½	+3
Harvln			1704	20⅝	19⅝	19½	— ⅞
HrvdSc	.16e	2.3	37	7⅝	7⅛	7⅛	+ ¼
Hathw s	.10r	1.4	240	7⅝	6⅞	7⅛	+ ⅛
Houser	.50	3.4	8	14⅝	14¼	14⅝	+ ½
Havrty s	.34	2.3	127	15	14⅞	14⅞	— ¼
HavFuA	.30	2.0	2	14¾	14¾	14¾	
HawkB			884	2	1⅝	1⅝	— ⅛
HawkC	.08r	1.5	18	6	5½	5½	— ⅛
HltcrS			1183	5⅞	5⅝	5⅝	— ⅛
HlthCS			990	13⅞	12⅞	13⅛	+ ¼
Hltlmg			126	5¼	5	5⅛	— ⅛
Hlthco			1767	25⅞	24	25⅝	+1¼
Hlthdyn			1788	4⅛	4⅜	4⅛	

(Continued on next page)

Austria Moves to Prevent Insider Trading

Reuters

VIENNA — Austria is moving to prevent insider trading from surfacing on Vienna's small but rapidly growing stock market, senior Finance Ministry and stock exchange officials have said.

Anton Stanzel, who oversees banks, the stock exchange and capital markets at the Finance Ministry, has called for a voluntary code against insider trading.

He also called for a computerized trading system that would draw much of the volume of business back onto the trading floor.

Mr. Stanzel said Friday that no evidence of insider trading had surfaced on the Vienna Stock Exchange, but that action should be taken to assure ordinary investors, particularly small investors, that something was being done to prevent it.

He said he had discussed a voluntary code and a watchdog body against insider dealing with the president of the stock exchange, Gerhard Wagner, and that the government discuss firm proposals this spring.

But in an interview, Mr. Wagner said he saw no real need for regulations or a written code of conduct to tackle insider dealing.

"We haven't known any special cases for decades," he said. But he said that the stock exchange council would consider Mr. Stanzel's proposals.

"We believe the stock exchange community will be strong enough to establish such a self-regulatory system," he added.

Mr. Stanzel also said he favored self-regulation, but with the Finance Ministry in a supervisory role. "If the outcome is not sufficient or satisfactory," he added, "then of course we have to think of other measures."

It was too early to say what action the Finance Ministry would take if the code of conduct, which is likely to be based on the code used in Amsterdam, failed to halt insider dealing.

But brokers said that the ministry might contemplate legislation. Amsterdam's code, introduced Jan. 1, was a stopgap measure pending the introduction of legislation. The Dutch cabinet has discussed a draft law allowing for heavy fines and up to two years' imprisonment for insider trading.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

International Bond Prices

(Continued)

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Coupon, price and yield are expressed in percent.
For dollar-denominated issues, Spd/Trsy is differential between yield to maturity of bond and yield on U.S. Treasury's issues with the same maturity, expressed in basis points.
Prices and yields are all on a bid basis.
Pp: private placement.
W/w: with warrants.
X/w: ex warrants.

Euromarts At a Glance

Eurobond Yields

	Feb. 18	Feb. 11
U.S. $ int'l inst., 8 yrs & over	8.14	8.09
public issuers, 8 yrs & over	8.15	8.07
industrials, 8 yrs & over	8.18	8.17
industrials, 5 to 7 yrs	8.28	8.29
Pounds sterling, 5 to 7 yrs	10.41	10.47
French francs, less than 5 yrs	9.34	9.22
ECU, 8 yrs & over	8.27	8.37
5 to 7 yrs	8.12	8.10
Can. $, 5 to 7 yrs	9.48	9.25
Aus. $, 5 to 7 yrs	13.93	13.91
N.Z. $, less than 5 yrs	16.50	15.99
Yen, 8 yrs & over	5.69	5.78
5 to 7 yrs	5.12	5.14

Source: Luxembourg Stock Exchange.

Weekly Sales *Feb. 20*

Primary Market

	Cedel		Euroclear	
	$	Non$	$	Non$
Straights	792.18	1,265.40	3,355.80	2,445.90
Convert.	—	—	—	4.30
FRNs	—	351.80	28.00	129.50
ECP	678.90	136.80	3,632.10	42.50
Total	1,471.08	1,753.40	7,015.90	2,642.20

Secondary Market

	Cedel		Euroclear	
	$	Non$	$	Non$
Straights	11,429.30	9,242.10	15,784.00	8,086.90
Convert.	349.70	311.10	1,649.70	277.80
FRNs	3,764.30	1,421.70	13,542.80	2,879.90
ECP	1,999.40	93.90	2,405.20	33.80
Total	17,542.80	11,068.80	33,383.70	11,278.40

Source: Euroclear, Cedel.

Libor Rates *Feb. 20*

	1-month	3-month	6-month
U.S. $	6⅜	6½	6 7/16
Deutsche mark	4 1/16	4⅛	4 3/16
Pound sterling	11 3/16	10⅞	10⅝
French franc	8 11/16	8 13/16	8⅞
ECU	7½	7½	7 7/16
Yen	4⅜	4¼	4 3/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.

Treasury Bonds

Feb. 20

Maturity	Close Bid	Ask	Yield	Wk.-ago yield
31.10.88	99 18/32	99 20/32	6.35	6.42
15.8.89	99 31/32	100 1/32	6.50	6.59
30.9.90	99 27/32	99 29/32	6.66	6.73
11.15.91	99 9/32	99 11/32	6.79	6.83
15.10.93	99 23/32	99 25/32	7.04	7.09
15.5.96	100	100 2/32	7.24	7.27
15.2.06	116 14/32	116 18/32	7.71	7.74
15.5.16	99 9/32	99 11/32	7.56	7.57

Source: Salomon Inc.

Mutual Funds

Figures as of close of trading Friday

Feb. 20

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

Wall Street Review

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
HmeSh s	46008	34⅛	25	28⅞	—5⅞
Wickes	30326	4⅛	3⅞	4	— ⅛
BAT	26237	8⅝	8	8⅜	+ ⅜
WDigitl	16232	31⅛	27⅜	29¼	— ½
LorTel n	15836	18⅛	17⅛	18	+ ½
WangB	15561	15⅞	14⅞	15⅛	— ⅜
ICH s	14438	22⅝	20⅜	22⅜	+ ⅞
EntMk s	13817	14¾	12	13	—1½
Amdahl	12955	40⅛	36	36⅞	—3½
TexAir	10310	50⅜	46¼	48⅞	+2⅝
NYTms s	8580	47	43⅝	46	+1⅛
Alza s	8551	29⅛	27	27⅞	+ ⅜
EchoB a	7872	28⅜	27¼	28⅛	+ ⅛
HmeGp	7644	24	21	22⅝	+2⅝
Taiwan n	7359	39⅞	29⅜	37⅛	+10⅝
SterlSft	7171	14⅛	11⅞	13⅞	+2
ImpOil a	6869	44⅛	42⅝	42⅞	
A all2 sc	6549	7⅛	4⅞	5⅝	
Dillard	6532	43	40⅝	43	+2⅝
DWG	6435	5⅝	4⅝	5	+ ⅛
Atari n	6099	28	23⅝	25⅞	—0⅞
FAusP n	5457	8⅝	8⅛	8⅛	— ⅛
Alfin s	5383	13⅜	8⅞	11⅛	+2⅛
Hasbr s	5018	26⅛	23⅞	23⅝	— ⅝
Domtr s	4953	34⅝	34⅝	35	+ ⅜

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Navistr	129286	7⅞	6⅝	7⅞	+1⅛
AT&T	106893	24	22⅝	23⅞	— ⅛
Sears	93400	53⅝	47⅛	53½	+5⅝
Texaco	82832	35½	33⅞	34⅞	— ⅛
IBM	77059	139⅜	134⅞	139⅝	+5⅞
GenEl	64273	103⅝	100¼	101	—0⅞
HewlPk	60134	59½	50⅜	51⅛	—4⅛
Ahmns s	59469	26⅜	22⅝	26⅝	+3⅝
ICN	54543	22⅝	15⅞	17	—5⅝
FordM s	53173	80½	75⅞	77⅞	+1⅞
PiedAv	49109	70⅛	64⅞	70⅜	+11
Exxon	48098	85⅛	80⅝	81⅝	+ ⅞
EKodk	48100	81½	79⅛	80	+1⅛
CocaCl s	44975	45⅞	43⅝	45½	+1⅞
PepsiC s	44048	33⅛	31⅛	33⅞	+2⅝
Comsoav	43914	33⅛	29⅝	30	—1½
Salomn	43835	41½	38⅝	38⅞	—2
BaxtTr	42755	26⅛	24⅝	25⅞	
USX	42753	24½	22⅝	24⅛	+ ¼
BnkAm	41475	12⅝	11⅞	12⅛	— ⅜
GMot	41451	78⅝	75⅛	78⅝	+ ⅜
K mart	41246	59⅞	53⅛	59	+5⅞
Chevrn	41089	52	48	49⅝	—3⅛
Mobil	40797	45	42⅝	43	—1¼
AMD	39103	24½	21¼	21⅞	— ⅛

AMEX Sales

	Sales Vol.
Total for week	44,500,000
Week ago	47,860,000
Year ago	38,580,000
Jan 1 to date	53,840,000
1986 to date	423,900,000

NYSE Sales

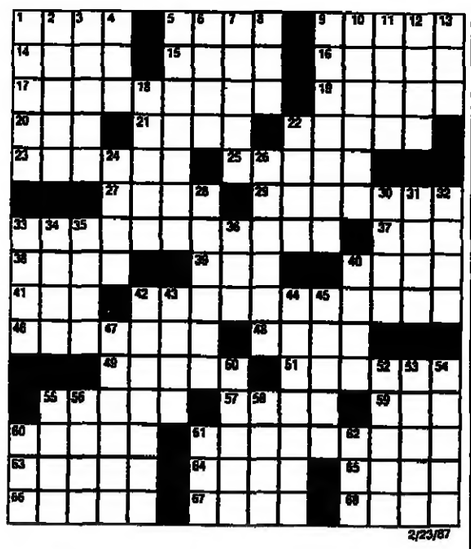
	Sales Vol.
Total for week	743,310,000
Week ago	868,700,000
Year ago	629,560,000
Two years ago	406,310,000
Jan 1 to date	4,772,357,418
1986 to date	4,051,630,000
1985 to date	4,454,070,000

AMEX Diaries

	This Wk	Last Wk
Advanced	430	435
Declined	350	351
Unchanged	140	148
Total Issues	920	934
New Highs	97	102
New Lows	13	14

NYSE Diaries

	This Wk	Last Wk
Advanced	1224	1023
Declined	725	956
Unchanged	234	215
Total Issues	2183	2194
New Highs	418	371
New Lows	28	32



2/23/87

ACROSS

1 Spanish house
5 Sphere of work
9 Cuts of lamb
14 Pindaric works
15 Sitarist Shankar
16 Up's partner
17 Employer of Jane Eyre
19 Trouble
20 —— Nouveau
21 Movie cult figure
22 Modify fittingly
23 Mitigate
25 Cavalry weapon
27 Actor Sharif
29 In the van
33 Ned Buntline hero
37 Civil War veterans' org.
38 Director Kazan
39 Caustic
40 Speck
41 M.I.T. grad.
42 Legendary kidnap victim
46 Hobby
48 Inevitable
49 Musical composition
51 Tantalizes
55 Famous theater couple
57 "Ave atque ——"
59 What shad are prized for
60 Edith Cavell, for one
61 Ill-fated English settlement
63 "Ragged Dick" author
64 Mine entrance
65 Small bills
66 Sanctify
67 Rose's team
68 "Le —— Goriot": Balzac

DOWN

1 Yellowish red
2 Worship
3 Denominations
4 Pallor
5 Arms depot
6 Pro —— (in proportion)
7 Ties
8 Make public
9 Unfair treatment
10 Having entrained
11 Business org.
12 Composer Weill
13 Farmyard structure
18 Swelling
22 First murder victim
24 Couch's cousin
26 Outlanders
28 Used wheels
30 Stravinsky
31 Former Haig command
32 Grizzled
33 Alert electronically
34 Larger forearm bone
35 Fruit trees
36 By the —— (incidentally)
40 News-story
42 Batters like Boggs
43 Kin of ostriches
44 Wall sockets
45 Rids of
47 Verb forms
50 Escape by trickery
52 Inclined (to)
53 Babel structure
54 Meaning
55 Leup
56 Yen
58 Surrounded by
60 Collar
61 Sound harshly
62 Go one better

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DENNIS THE MENACE

"WASHINGTON AND LINCOLN WERE LUCKY TO HAVE THEIR BIRTHDAYS ON HOLIDAYS!"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NYWEL

ASTEE

RALLOF

ENTAIN

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A ___-___-___ (Answers tomorrow)

Friday's Jumbles: FIFTY RIGOR MYRIAD INLAID
Answer: Somebody who calls a spade a spade might want to give you this — A DIRTY "DIG"

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	13	55	6	43	c
Amsterdam	5	41	1	34	r
Athens	16	61	9	48	cl
Barcelona	9	48	0	32	cl
Belgrade	9	48	4	39	c
Berlin	0	32	-3	27	c
Brussels	2	36	0	32	sw
Bucharest	—	—	—	—	na
Budapest	6	43	1	34	c
Copenhagen	4	39	-1	30	fr
Costa Del Sol	14	57	7	45	fr
Dublin	5	41	3	37	c
Edinburgh	7	45	0	32	c
Florence	8	46	0	32	fr
Frankfurt	1	34	0	32	c
Geneva	3	37	-1	30	cl
Helsinki	-3	27	-3	27	sw
Las Palmas	23	73	16	61	cl
Lisbon	8	46	3	37	fr
London	6	43	3	37	c
Madrid	4	39	-4	25	fr
Milan	8	46	0	32	fr
Moscow	-1	30	-3	27	cl
Munich	2	36	-2	28	c
Nice	10	50	3	37	cl
Oslo	7	45	-3	27	fr
Paris	5	41	0	32	cl
Prague	1	34	0	32	c
Reykjavik	1	34	0	32	sw
Rome	8	46	3	37	c
Stockholm	0	32	-2	28	fr
Strasbourg	1	34	0	32	sw
Vaduz	8	46	0	32	fr
Vienna	8	46	1	34	cl
Warsaw	1	34	0	32	c
Zurich	0	32	-2	28	sw

MIDDLE EAST	HIGH C	HIGH F	LOW C	LOW F	
Ankara	15	59	-1	30	c
Beirut	—	—	—	—	na
Cairo	25	77	7	45	fr
Damascus	—	—	—	—	na
Istanbul	18	64	9	48	cl
Jerusalem	22	72	11	52	fr
Tel Aviv	28	82	5	41	fr

OCEANIA	HIGH C	HIGH F	LOW C	LOW F	
Auckland	24	75	14	57	fr
Sydney	25	77	17	43	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	36	97	24	75	cl
Beijing	9	48	-3	27	fr
Hong Kong	19	66	16	61	c
Manila	32	90	22	72	fr
New Delhi	28	82	11	52	cl
Seoul	6	43	-1	30	fr
Shanghai	8	46	2	36	c
Singapore	33	91	23	73	cl
Taipei	20	68	14	57	c
Tokyo	7	45	2	36	r

AFRICA	HIGH C	HIGH F	LOW C	LOW F	
Algiers	11	52	8	46	r
Cape Town	24	75	13	55	fr
Casablanca	20	68	13	55	cl
Harare	30	86	16	61	cl
Lagos	31	88	26	79	cl
Nairobi	27	81	14	57	cl
Tunis	15	59	10	50	c

LATIN AMERICA	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	28	82	18	64	c
Caracas	29	84	18	64	cl
Lima	30	86	21	70	c
Mexico City	27	81	12	54	pc
Rio de Janeiro	34	93	24	75	sw

NORTH AMERICA	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	2	36	-3	27	cl
Atlanta	11	52	12	54	r
Boston	5	41	-4	25	fr
Chicago	5	41	0	32	sw
Denver	5	41	-9	16	fr
Detroit	4	39	-4	25	cl
Honolulu	27	81	17	63	pc
Houston	10	50	6	43	cl
Los Angeles	17	63	10	50	sh
Miami	29	84	21	70	pc
Minneapolis	2	36	-4	25	pc
Montreal	-5	23	-16	3	fr
Nassau	28	82	22	72	fr
New York	5	41	-1	30	cl
San Francisco	15	59	6	43	fr
Seattle	9	48	4	39	cl
Toronto	2	36	-11	12	fr
Washington	7	45	2	36	cl

cl-cloudy; fo-fogsy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Overcast. Temp. 1 — -2 (34 — 28). LONDON: Cloudy. Temp. 5 — 2 (41 — 36). MADRID: Fair. Temp. 5 — -3 (41 — 27). NEW YORK: Partly cloudy. Temp. 6 — -1 (43 — 30). PARIS: Overcast. Temp. 4 — 1 (39 — 34). ROME: Cloudy. Temp. 9 — 2 (48 — 36). TEL AVIV: NA. ZURICH: Overcast. Temp. 0 — -3 (32 — 27). BANGKOK: Foggy. Temp. 33 — 25 (91 — 77). HONG KONG: Cloudy. Temp. 19 — 16 (66 — 61). MANILA: Fair. Temp. 32 — 19 (90 — 66). SEOUL: Rainy. Temp. 6 — -2 (43 — 28). SINGAPORE: Fair. Temp. 33 — 24 (90 — 75). TOKYO: Rainy. Temp. 6 — 3 (43 — 37).

SPORTS

SPORTS BRIEFS

Frenchman Lowers Record for 200 Meters

LIEVIN, France (UPI) — Bruno Marie-Rose of France set a world indoor record of 20.36 seconds in the 200-meter final at the European indoor track and field championships here Sunday.

Running in the outside lane, Marie-Rose held off Vladimir Krylov of the Soviet Union to shave .16 seconds off the mark set by Italian Stefano Tilli in 1985.

A Hole-in-One Gives Chen Lead in L.A. Golf

LOS ANGELES (UPI) — T.C. Chen made a hole-in-one Saturday on his way to a 4-under-par 67 that gave him a one-stroke lead after the third round of the Los Angeles Open golf tournament.

Chen, from Taiwan, stood at 204, 7-under par. Danny Edwards was at 205, and Bobby Wadkins, the first-round leader, was tied with Ben Crenshaw at 206.

Chen began the day at 5-under, a stroke behind the second-round leader, Bill Sander, who had a 66 on Friday. But Sander lost his share of the top spot with bogeys on the fifth and sixth holes, and Edwards, who had shot a 64 Friday, faltered with bogeys on Nos. 6 and 8.

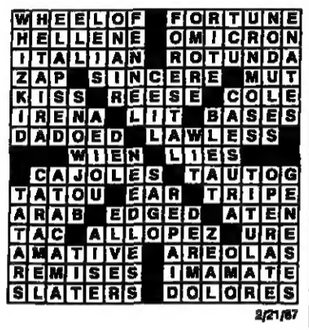
Chen used a 6-iron to ace the par-3, 161-yard (147-meter) sixth. He had two birdies and two bogies the rest of the way. He had a 67 Friday after an opening 70.

De Leon Retains WBC Cruiserweight Title

BERGAMO, Italy (Combined Dispatches) — Carlos De Leon of Puerto Rico retained his World Boxing Council cruiserweight title Saturday as Italian challenger Angelo Rottoli, bleeding from a cut above his right eye, was stopped by the ring doctor before the fifth-round bell.

De Leon, in his seventh defense, was ahead on points when the scheduled 12-rounder was halted. Rottoli's record is 23-1-2; De Leon is 41-4. *(AP, UPI)*

Solution to Friday's Puzzle



2/21/87

Theatrical by a Neck

HIALEAH, Florida (AP) — Theatrical led the entire race and held off Long Mick by a neck Saturday to win the $200,000 Hialeah Turf Cup.

Theatrical, a 5-year-old ridden by Pat Day, outran Duluth for the lead going into the far turn for the first time, and led by a length leaving the stretch run the first time. Heading into the far turn the second time, Duluth had moved within a head. Theatrical held off that challenge, then another from Creme Fraiche.

Long Mick cut the lead from three-quarters of a length to a head in the final 40 yards. The winner was timed in 2:28-3/5 over 1½ miles.

Howser Stands Tall After Death's Brushback

By George Vecsey
New York Times Service

FORT MYERS, Florida — Yes, Dick Howser conceded, there were a few changes in the manager who won the World Series in 1985. He does not remove his cap in public these days, and his uniform has been altered because he has lost 17 pounds (7.7 kilograms).

"Don't do it the way I did it," he added, with a twinge of irony. "Do it some other way."

He is not recommending two operations for brain cancer, although he does not mind admitting he came out of the first operation "looking for the Lord" ahead of any of his loved ones.

"I'm just glad that happened to me at 50 and not 60 — or when it's too late," Howser said Saturday, back in his baseball workplace.

His blue Kansas City Royal cap was perched on his head, not quite hiding the bottom of the five-inch (12.8-centimeter) surgical scar over his left temple. He has other caps, which he wears on impulse away from the ball park.

"I'd take it off," he said, winking at a few familiar faces in the media swarm, "but it would be a little gross."

There was nothing gross about Richard Dalton Howser, not on his first day back to work, not in his 25 seasons in the major leagues, even when he was being left to twist in the wind by New York Yankee owner George Steinbrenner, even when we second-guessers trooped into his office in the 1985 World Series, wanting to know why he had not used his ace relief pitcher, Dan Quisenberry.

Howser more or less deflected that question by winning the World Series a week later, and he has always handled the stress of managing.

"This is what I've done best," he said. "I played eight years, I coached 10, and I'll do this at least a couple more years."

He smiled and said he would give only positive answers in the news conference staged so Howser could go through the details one time, and get off the subject for the rest of the spring.

He plans to skip a few away games during spring training, leaving the club in the hands of Billy Gardner, the former manager of Minnesota. Howser said he feels fine, "except for being a little tired, a little woozy, in the afternoon," but he expects to manage the club this season.

"You either do it or you don't," he said, later adding, "If I can't do it, I'll bail out."

The illness was discovered last July, after Howser had suffered headaches and seemed confused about details while managing the American League all-star team.

At St. Luke's Hospital in Kansas City, doctors removed a golf-ball-sized tumor from his brain. They classified it as the worst of four grades of brain cancer, but Howser says he believes it is between a three and a two.

Later, he chose to undergo treatment at Huntington Memorial Hospital in Pasadena, California, to be infused with 4 billion "killer cells," an experimental process. The remaining tumor is said to have shrunk to the size of a coin, and he has been told he can go back to work.

"The Lord's going to be the only one who can take me away from this," Howser said.

AP

Dick Howser: Never a "Why me?"

He said he was grateful when he awoke from the first operation, even though doctors told him, with tears in their eyes, that his form of cancer was the most severe.

"The first person I wanted to see was a pastor," he said. "A pastor named Jim Wells from Kansas City called my old phone number, and I don't know how he reached me, but he got a hold of me.

"But he was not the only one. I've had friends from Florida, my brother flew to Los Angeles with me for the second operation, there's been a bunch of people. I got 14,000 letters and I'm going to answer every one of them.

"I never spent a day in the hospital before this, but I haven't met anybody that I did not like. Sure, people will say, I'm Dick Howser, so they give me good care, but it's more than that. There's so many people worse off than me. What I've seen in hospitals is not a lot of fun."

He said he had not been unusually excited about this first day of spring training. But he admitted that the ovation from the fans "kind of got to me." He had waved his arms and kept them in front of his face for a few seconds.

Meanwhile, his players threw and batted and fielded, a perpetual contending team with a manager coming out of surgery.

"Dick has carried us through some bad times in the past," said Jim Sundberg, the catcher. "He's been an inspiration to us now."

Howser did not bring up his illness to the troops Saturday. He said, "I just told them, 'Let's go.' We've got the best team in our division, although some people might disagree with me."

He asserted the strength of his team in the same casual way he has conducted himself. Howser never asked "Why me?" when Steinbrenner let him go. Howser never asked "Why me?" when reporters packed his office when he did not go to Quisenberry in the World Series.

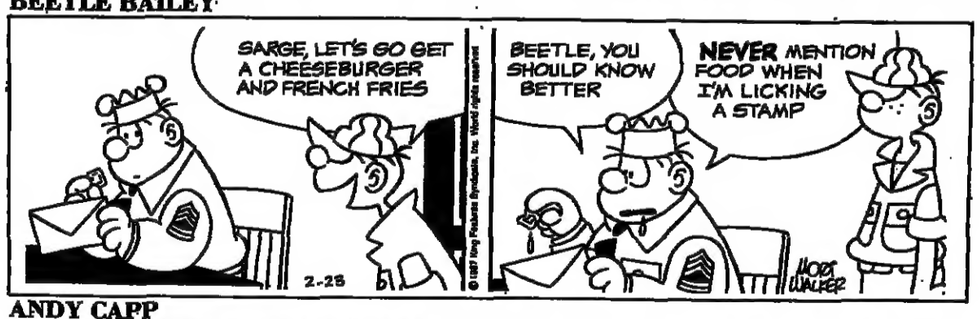
If he has asked the biggest "Why me?" of them all, he will not do it in public. "This is a story that needs to be told," he said. "What the Lord has done."

He spotted a few stragglers who had been delayed in traffic, and he asked them, "Need anything?" Howser was back at work, and that was all he had wanted.

PEANUTS

BLONDIE

BEETLE BAILEY

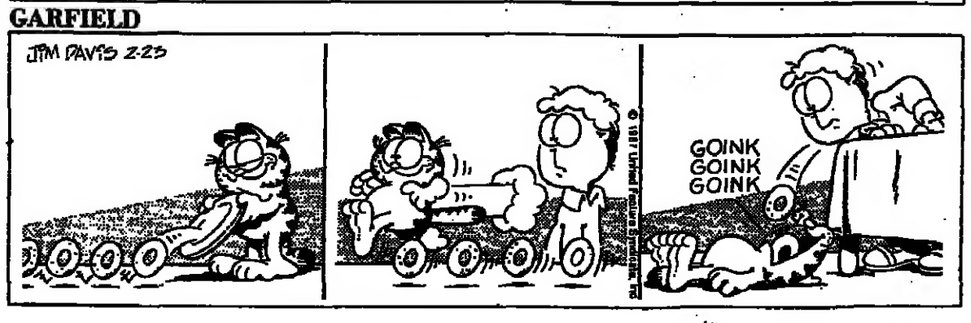


ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

The Amsterdam Stock Exchange staged a modest recovery last week in response to a steadier dollar and the possibility that talks in Paris over the weekend could lead to further stabilization.

The ANP-CBS general share index moved from 261.2 to 263.9 over the week.

The market is now looking ahead to results from leading companies in the coming weeks, starting with electrical group Philips NV on Thursday.

Frankfurt

Prices on the Frankfurt stock exchange continued to decline last week on uncertainties surrounding the dollar.

Dollar weakness at the start of the week triggered a wave of selling orders by foreign investors and sent indexes plunging to 15-month lows.

But the announcement Thursday that finance ministers from leading industrial nations would meet in Paris over the weekend pushed the index up 3 percent.

For the week as a whole, the Commerzbank index lost 18.9 points to finish at 1,742.2.

The announcement by Brazil that it was suspending interest payments to creditor banks weighed heavily on the banking sector. Deutsche Bank AG was down 32 Deutsche marks to 665, Dresdner Bank gave up 14.70 to finish at 349 and Commerzbank lost 12.70 to end the week at 261.30.

Hong Kong

The Hang Seng Index broke the 2,800 barrier for the first time last week, closing Friday at 2,827.40, up 86.91 points on the week, while the Hong Kong Index put on 64.31 to close at 1,816.47.

Trading Monday was bolstered when Hong Kong authorities said they would not prosecute Australian entrepreneur Alan Bond for misleading statements about the net value of Bond Corp. International Ltd., his Hong Kong unit, whose shares made their debut on the market on Jan. 5.

On Tuesday, Mr. Bond's Bond International announced that it had bought Financial Square, an office complex under construction in Hong Kong's Central business district for $244 million.

It was the third major acquisition by Bond International in Hong Kong since October.

London

Hopes that next month's British budget will combine tax cuts and lower interest rates boosted equities to new peaks over the past week on the London Stock Exchange.

The Financial Times 30 share index reached new highs on three consecutive days, although midweek profit-taking interrupted the rise. The indicator closed Friday at 1,567, up 46 points on the week. Transactions increased from 228,149 to 270,517.

Consumer-related stocks remained at the fore, despite disappointing retail sales figures for January. Pharmaceuticals, led by Wellcome Foundation Ltd. and Glaxo Holdings PLC, continued to gain ground. But oils were mostly easier because of falling crude prices and British Petroleum Co.'s disappointing fourth quarter results.

Gilts rose to their highest level for five months when rumors of a meeting of the Group of Seven finance ministers in Paris were confirmed.

Milan

Political uncertainty and increasingly acrimonious debate about suggested reforms of the local stock market caused further share losses in Milan last week.

The COMIT index closed 0.69 percent down, finishing Friday at 687.66, after the previous week's 692.40. Trading volume was up by 3.97 percent, to 182 million shares, for a value of 891.89 trillion lire.

Perky shares were Mediobanca, up 3.71 percent after a gain of 4 percent the previous week, and Nuovo Banco Ambrosiano, up 3.5 percent. Automaker Fiat SpA closed down 1.99 percent and Montedison lost 0.63 percent.

Paris

Share trading in Paris last week was described as anxious, with sentiment depressed by poor foreign-trade figures and fears of a resurgence of inflation.

The CAC index, after gaining 0.3 percent on Monday to 421.1, fell steadily over the next three days before rising again on Friday to finish the week at 419.7, almost unchanged from 419.2 the previous Friday.

Analysts said there were fears that the absence of concrete decisions at the weekend meeting of finance ministers in Paris would send the dollar plunging on Monday, triggering heavy selling by foreign investors.

Disappointing figures showing a 2.5 billion franc ($400 million) merchandise trade deficit in January forced the index down to 419.4 Tuesday.

It fell further Wednesday to 415.7 on sentiment that the Group of Seven meeting might not take place, but the slide was checked Thursday when the meeting was confirmed.

Singapore

The Singapore stock market maintained its bullish trend last week, hitting new records despite brief bouts of profit-taking.

On Friday, volume hit an all-time high of 63.49 million units for a single day, while the Straits Times Industrial Index surged ahead to a new mark of 1,061.95 points. It gained more than 45 points for the week.

Daily volume averaged 56.3 million units, compared to 46.8 million the previous week. Turnover for the week rose by more than 20 percent to 281 million units, while value appreciated about 10 percent to 598 million Singapore dollars.

Tokyo

Share prices soared on the Tokyo stock market last week, reflecting the bullish trend in New York and continuing commotion caused by recently-listed Nippon Telegraph & Telephone stock.

The 225-stock Nikkei Stock average, a moderate 39.96-yen loser the previous week, hit an all-time high of 20,228.09 yen Thursday before closing the week at 20,080.39 yen Friday for a 451.42 yen weekly gain. The previous record high of 20,079.09 yen was set on Feb. 2.

Feverish interest continued in NT&T stocks, listed on the market for the first time Feb. 9 after privatization last April. The stock, quoted at 1.6 million yen on Feb. 10 and at 1.78 million on Feb. 13, closed last week at 2.15 million.

Export-oriented issues such as TDK, Sony, Toyota and Hitachi were sought as the yen edged upward against the dollar and it was announced that the Group of Seven finance ministers would meet in Paris.

Zurich

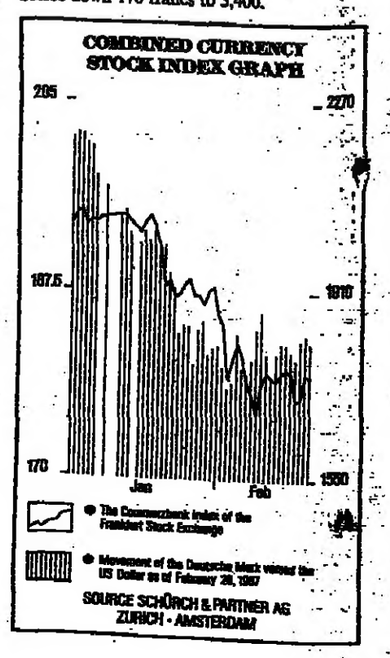
Share prices on the Zurich stock market faltered last week, reflecting anxiety ahead of monetary meetings in Paris over the weekend.

The Credit Suisse index fell from 540.5 to 534.9, while that of Swiss Bank Corp. dropped to 635.2 from 647.7.

Sentiment was dampened by the announcement Thursday from Credit Suisse, the country's third largest bank, of an unchanged 1986 dividend, despite the fact that net profit last year rose 12 percent to 566 million Swiss francs ($367.5 million).

Analysts said the market was anxiously awaiting results this Thursday from Switzerland's leading bank, Union De Banques Suisse.

Banks lost ground last week, with Credit Suisse down 170 francs to 3,400.



SPORTS

France Rallies Past England, 19-15; Scotland Wins

Compiled by Our Staff From Dispatches

LONDON — A try off a brilliant interception by Philippe Sella helped France rally for a 19-15 victory over England in a Five Nations Rugby tournament match here Saturday. France won its second straight game on two tries, a conversion, two dropped goals and a penalty to England's three penalties and a dropped goal.

FIVE NATIONS RUGBY

In Edinburgh, meanwhile, Scotland won its opener against Ireland, 16-12; co-champions with the French last season, the Scots will play in Paris March 7.

Sella's 64th-minute solo try put France ahead by 16-12 and completed its recovery from a 12-3 halftime deficit. England was trying to create an opening from a loose ruck near midfield, but Sella intercepted a pass by Richard Hill; wings Mike Harrison and Rory Underwood raced back to help fullback Marcus Rose cover the break, but the swift Sella, feinting perfectly, wrong-footed the defenders and crossed the goal line.

Although it was not converted, that try settled the match; Philippe Berot and Rose exchanged penalty kicks to complete the scoring.

Sella had also been involved in France's first try. It stemmed from a scrum inside England's half, and scrum-half Pierre Berbizier, fly-half Franck Mesnel and center Sella handled the ball in a double scissors move that suddenly released flanker Eric Champ on the open side. Champ's explosive pace took him deep into English territory before he provided a scoring pass for winger Eric Bonneval. Berot converted to make the score 12-all.

England, starting with the wind, showed signs of instant recovery from a 17-0 trouncing by Ireland two weeks previously. The return from injury of Wade Dooley and Steve Bainbridge, the giant second-row forwards, made a big difference to the English pack, which exposed France's lack of discipline under pressure in the opening minutes. Rose connected on penalties in the first, fourth and 13th minutes.

The marauding English forwards prevented France from finding sustained rhythm, but Mesnel reduced the arrears with a 16th-minute dropped goal. That started a run of dropped goals, the second by English fly-half Rob Andrew and the third — two minutes into the second half — by French fullback Serge Blanco. That reduced the lead to 12-6 and was the beginning of the end for England.

Scotland defeated Ireland on two tries, two dropped goals and one conversion. The 16-12 victory margin could have been greater, but fullback Gavin Hastings missed six out of seven placekicks.

The winners' tries came from scrum-half Roy Laidlaw and wing Iwan Tukalo after fly-half John Rutherford had connected on two early dropped goals. Hastings, who in his first two Murrayfield appearances last season set national records of 18 and then 21 points, was successful only on the conversion of Tukalo's decisive try. Ireland's points came on captain Donal Lenihan's try, a penalty, a conversion and a dropped goal by center Michael Kiernan.

Rutherford's dropped goals made up for early misses by Hastings, and after Ireland came back from a shaky start with Lenihan's try and Kiernan's conversion and dropped goal to lead by 9-6, Laidlaw put the Scots back in front with first-half injury-time try.

Sustained pressure paid off with Tukalo's 68th-minute try, his first in a major international. The wing finished off a blind-side run and kick by Rutherford. Kiernan cashed in on a penalty three minutes into injury time.

Scotland (1-0) and Ireland (1-1) are tied for second in the Five Nations standings. Wales is 0-1 and England 0-2. *(UPI, AFP)*


The Associated Press
Wade Dooley (white) had words with Frenchman Laurent Rodriguez during Saturday's first half.

IOC Working Against Time to Dispel Storm Clouds Over Seoul Olympics

By Thomas Netter
International Herald Tribune

LAUSANNE, Switzerland — From the plush new marble-and-glass offices of the International Olympic Committee, the view of Lake Geneva and the French Alps suggests anything but crisis.

Juan Antonio Samaranch, who as president of the committee rules a multination, multimillion-dollar empire founded on the Summer and Winter Olympics, has just dedicated the headquarters and signed record-breaking television contracts for 1988. And last week invitations went out for the 1988 Winter Games; preparations in Calgary are moving ahead smoothly.

But with the 1988 Summer Games it's another story. Despite complex mediating efforts by the IOC, the storm clouds that have hovered over the Seoul Olympics for more than a year remain ominous. Eighteen months before the Games begin — and a scant eight months before formal invitations to participants must go out — concern is rife here that politics may again tarnish the Games' gold, silver and bronze medals.

Wielding the threat of another Soviet-bloc boycott, like the one at the Los Angeles Olympics in 1984, North Korea is still demanding a share of the Games awarded to Seoul in 1981, including a split of the opening and closing ceremonies and more events than South Korea and the IOC are willing to give.

And although the North has apparently dropped its demand for a 50-50 split of events, revenues and ceremonies in response to being offered part or all of four sports, it wants at least four more.

"Of course we are concerned," says Samaranch, who has been seeking a compromise that would keep the Games conflict-free. "We are doing our best," he said last week, "proposing to North Korea the best conditions they can get to take part in the 24th Summer Olympic Games."

So far, the IOC's efforts to resolve the North-South dispute have been inconclusive. After three trilateral negotiating sessions here in the past year, South Korea and the IOC have offered the North 10 or 11 of the Games' 200-odd events — four in table tennis, four in archery, men's (and possibly women's) bicycle road races and one group of the soccer competition.

But at a meeting here this month, that proved to be not enough. On Feb. 12, at the end of a three-day session, the North Korean Olympic Committee's vice president, Kim Yu Sun, said the proposal was "too small," and that his country wanted more events, including wrestling, boxing, gymnastics and rythmic gymnastics, plus more of the opening and closing ceremonies.

Samaranch is remaining firm. "No, no, no, no," he says. "Maybe we can give them part of the volleyball competition, but the opening and closing ceremonies will be in Seoul. Maybe we can offer some more events to the North Koreans, some small changes. But no more."

Although Samaranch describes the compromise proposal as "historical and generous," Kim is adamant on having more events: "We shall have them."

But the South Koreans seem to have drawn the line. In a response to the North Korean demands, Kim Chong Ha, chairman of the South Korean Olympic Committee, has said the North must allow opening and closing ceremonies to be held in Seoul, must admit athletes, coaches, officials and journalists to Olympic events in the North without restriction, and must renounce any share in television or Olympic emblem revenues. Failure to do so, he says, would mean the South would deny the North any events at all.

The Seoul government and Samaranch appear to feel that political, financial and athletic realities are on their side. Samaranch cites the financial success of the 1984 Los Angeles Games, the new leadership in the Soviet Union that appears more open and less isolationist and concern over the damage to Soviet-bloc athletics that another boycott would cause.

"The position of the Socialist countries is very different than it was a year ago, and if you follow what has been happening in Moscow, you should realize that can only help us," the IOC leader says.

But Samaranch and other IOC officials also acknowledge it is impossible to rule out a Soviet-bloc boycott, and thus are pursuing an intense mediation effort. Samaranch says he will discuss "program considerations" with South Korea in April — indicating that he may suggest giving the North at least one or two additional events.

He has called for a fourth negotiating session between the two Koreas and the IOC later this year, something he vowed he would not do when he proposed a compromise to the North last June.

Still, he remains optimistic that the dispute will be resolved. "I think the North Koreans have to realize the importance of not having many, but just a few of the events," he says. "But if the South Koreans are ready to give something more, we will also study that in a very serious way."

SCOREBOARD

Hockey

National Hockey League Standings

WALES CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
Philadelphia	37	18	5	79	243	177
NY Islanders	26	25	8	60	197	199
NY Rangers	25	24	8	58	234	238
Washington	24	28	8	56	198	213
Pittsburgh	21	28	10	52	215	215
New Jersey	23	30	5	51	206	262
Adams Division						
Hartford	31	22	6	68	204	199
Montreal	29	25	8	66	208	194
Boston	29	26	5	63	221	201
Quebec	23	30	8	54	197	199
Buffalo	21	31	6	48	202	218
CAMPBELL CONFERENCE						
Norris Division						
Detroit	26	25	8	60	194	203
Minnesota	25	27	7	57	223	217
Chicago	23	29	8	54	221	241
St. Louis	22	27	10	54	199	221
Toronto	23	31	6	52	207	224
Smythe Division						
Edmonton	38	16	5	81	279	202
Calgary	34	24	2	70	236	217
Winnipeg	32	22	6	70	213	203
Los Angeles	24	28	7	55	228	239
Vancouver	18	35	8	44	200	243

Friday's Results

Buffalo 1 4 1—6
N.Y. Rangers 2 0 1—3

Housley 2 (16), Smith 2 (12), Gillies (7), Kurvers (6); Lorauche (25), Podubbny (34), McKegney (25). (Ruuttu, Foligno), 5:43. Shots on goal: Buffalo (on Vanbiesbrouck, Froese) 12-8-4—24; New York (on Barrasso) 17-11-10—38.

Quebec 2 0 1—3
Detroit 4 1 1—6

Yzerman 2 (22), Ashton (31), Veitch (12), Gallant (21), Oates (13); McRae (7), A. Stastny (20), Hunter (8). Shots on goal: Quebec (on Stefan) 8-8-13—29; Detroit (on Malarchuk) 11-9-6—26.

Boston 0 0 2—2
Winnipeg 1 2 3—6

MacLean (27), Hawerchuk (37), Small 2 (17), Boschman (12); Courtnall (11), Thelven (4). Shots on goal: Boston (on Berthiaume) 5-8-7—20; Winnipeg (on Keans) 13-13-7—33.

Toronto 1 1 0—2
Calgary 2 0 4—7

Bozek (12), Bullard (18), MacInnis (17), Wilson (16), Suter (6), Hunter (5), Bradley (10); Leeman (17), Vaive (19). Shots on goal: Toronto (on Lemelin) 10-6-7—23; Calgary (on Wregget) 11-6-11—28.

Washington 0 3 3—6
Vancouver 1 0 2—3

Duchesne (12), Gartner 4 (29), Ridley (24); Butcher (4), Tambellini (15), Sandlak (12). Shots on goal: Washington (on Caprice) 7-10-11—28; Vancouver (on Peeters) 5-14-12—31.

Saturday's Results

Boston 0 1 0—1
Minnesota 0 0 0—0

Neely (27). Shots on goal: Boston (on Takko) 10-11-8—29; Minnesota (on Romford) 11-20-15—45.

Philadelphia 3 1 1—5
Los Angeles 0 0 2—2

Eklund 2 (13), Propp (19), Zezel (29); Robitaille (35), Fox (18). Shots on goal: Philadelphia (on Melanson) 8-15-12—35; Los Angeles (on Hextall) 9-11-13—33.

Quebec 0 0 3 0—3
St. Louis 0 0 3 1—4

Lafreniere (12), Ogrodnick (17), Gillis (13); Hunter 2 (30), Paslawski (19). Shots on goal: Quebec (on Wamsley) 7-11-14-0—32; St. Louis (on Gosselin) 10-13-18-2—43.

Chicago 1 2 3—6
Hartford 1 2 0—3

Presley (22), Preston (5), Stapleton (2), Olczyk (12), Savard (28), Fraser (22); Ferraro (20), Anderson (21), Turgeon (10). Shots on goal: Chicago (on Liut) 9-4-7—20; Hartford (on Sauve) 15-12-12—39.

New Jersey 3 2 1—6
Pittsburgh 0 2 3—5

Brickley 2 (11), Chernomaz (1), Verbeek (24), Johnson (19), Sulliman (23); Cunneyworth 2 (19), Bodger (10), Buskas (3), Kannegiesser (5). Shots on goal: New Jersey (on Meloche) 8-8-3—20; Pittsburgh (on Billington) 9-11-11—31.

Montreal 1 1 3—5
NY. Islanders 1 4 1—6

Leifer (7), Boyd (2), D. Sutter (9), Diduck (2), LaFontaine (26), Hannan (4); Smith 2 (23), Skrudland (7), Gingras (10). Shots on goal: Montreal (on Hrudey) 6-4-13—23; New York (on Hayward, Roy) 11-13-12—36.

European Soccer

ENGLISH FIRST DIVISION

Aston Villa 2, Liverpool 2
Chelsea 1, Manchester United 1
Leicester 0, Norwich 2
Manchester City 1, Luton 1

Points standings: Everton 54; Arsenal 53; Liverpool 52; Nottingham Forest, Luton, Norwich 47; Tottenham 44; Coventry 40; Wimbledon 39; West Ham 38; Watford, Manchester United 37; Queens Park 36; Sheffield Wednesday 35; Chelsea, Oxford 33; Manchester City 29; Southampton 28; Leicester 27; Charlton 26; Aston Villa 25; Newcastle 22.

WEST GERMAN FIRST DIVISION

Nuremberg 5, Werder Bremen 1
Cologne 1, Bochum 0
Hamburg 3, Borussia Mönchengladbach 1
Kaiserslautern 2, Blau-Weiss Berlin 0
Fortuna Düsseldorf 3, Eintracht Frankfurt 2
Borussia Dortmund 2, Bayern Munich 2

Points standings: Hamburg 26; Bayern Munich 25; Bayer Leverkusen, Kaiserslautern 22; Stuttgart 21; Borussia Dortmund, Werder Bremen 20; Bayer Uerdingen 19; Cologne 18; Schalke, Borussia Mönchengladbach, Bochum 17; Nuremberg, Eintracht Frankfurt 16; Waldhof Mannheim 15; Homburg 10; Fortuna Düsseldorf 9; Blau-Weiss Berlin 8.

ITALIAN FIRST DIVISION

Avellino 0, Ascoli 0
Brescia 2, Como 0
Empoli 0, Atalanta 0
AC Milan 1, Juventus 1
Roma 1, Inter Milan 0
Sampdoria 0, Verona 0
Torino 0, Napoli 1
Udinese 1, Fiorentina 1

Points standings: Napoli 30; Inter Milan 26; Roma, Juventus 25; AC Milan 24; Verona 21; Sampdoria 19; Torino 18; Como 17; Fiorentina 16; Avellino, Empoli 15; Brescia, Atalanta 13; Ascoli 12; Udinese 6.

SPANISH FIRST DIVISION

Athletic de Bilbao 0, Sevilla 1
Valladolid 1, Sabadell 0
Real Madrid 2, Cadiz 1
Español 2, Mallorca 1
Murcia 2, Santander 1
Gijon 3, Osasuna 0
Zaragoza 1, Real Sociedad 0
Betis 2, Atletico de Madrid 1

Transition

BASEBALL

American League

BOSTON—Signed Rob Woodward, Mike Rochford and John Leister, pitchers, and Ellis Burks and Todd Benzinger, outfielders, to one-year contracts.

KANSAS CITY—Announced that pitcher Charlie Leibrandt has won his salary arbitration case and will receive $825,000 for the 1987 season.

MILWAUKEE—Signed Rob Deer, outfielder; Tim Pyznarski and Billy Jo Robidoux, infielders, and Al Jones, pitcher, to one-year contracts.

NEW YORK—Signed Al Leiter, Bill Fulton and Pat Clements, pitchers, and Ron Kittle, outfielder, to one-year contracts. Signed Mike Armstrong, pitcher, to a minor-league contract.

TEXAS—Signed Bob Brower, outfielder, and Billy Taylor, pitcher, to one-year contracts.

TORONTO—Signed George Bell, outfielder, to a one-year contract.

National League

MONTREAL—Acquired Mike Shade, pitcher, from Minnesota for Al Newman, infielder; assigned Shade to Indianapolis of the American Association. Signed Floyd Youmans and Sergio Valdez, pitchers, and Esteban Beltre, infielder, to one-year contracts.

PHILADELPHIA—Signed Steve Jeltz, Francisco Melendez and Greg Legg, infielders; John Russell and Joe Cipolloni, catchers; Mike Jackson, pitcher, and Chris James, outfielder, to one-year contracts.

PITTSBURGH—Signed Mike Brown, outfielder, to a one-year contract.

SAN FRANCISCO—Signed Ray Fontenot, pitcher, to a Triple-A contract.

BASKETBALL

National Basketball Association

L.A. CLIPPERS—Signed Stefland Johnson, forward, to a contract for the rest of the season.

NEW YORK—Placed Pat Cummings, forward, on the injured list.

HOCKEY

National Hockey League

BUFFALO—Sent Dave Trapp, left wing, to Rochester of the American Hockey League. Called up Bob Logan, left wing, and Paul Brydges, center, from Rochester.

MINNESOTA—Purchased Brad Maxwell, defenseman, from the N.Y. Rangers.

PITTSBURGH—Sent Alain Lemieux, left wing, and Jim McGeough, right wing, to Baltimore of the American Hockey League. Recalled Warren Young, right wing; Mitch Wilson, center, and Dwight Schofield, defenseman, from Baltimore.

Tennis

MEN'S TOURNAMENT
(At Indian Wells, California)

Quarterfinals

Boris Becker, West Germany, def. Emilio Sanchez, Spain, 6-3, 7-5.
Mats Wilander, Sweden, def. Jakob Hlasek, Switzerland, 6-3, 6-0.
Yannick Noah, France, def. Thierry Tulasne, France, 6-8, 3-6, 6-4.
Stefan Edberg, Sweden, def. Miloslav Mecir, Czechoslovakia, 4-6, 6-4, 6-2.

Semifinals

Becker def. Noah, 6-4, 6-2.
Edberg def. Wilander, 6-1, 7-5.

WOMEN'S TOURNAMENT
(At Boca Raton, Florida)

Quarterfinals

Helena Sukova, Czechoslovakia, def. Betina Bunge, Monaco, (7), 3-6, 6-3, 7-6 (7-3).
Steffi Graf, West Germany, def. Claudia Kohde-Kilsch, West Germany, 7-6 (7-4), 6-2.
Pam Shriver, U.S., def. Gigi Fernandez, Puerto Rico, 6-2, 6-3.
Gabriela Sabatini, Argentina, (6), def. Kate Gompert, U.S., 6-2, 6-1.

Semifinals

Sukova def. Sabatini, (6), 4-6, 6-3, 6-1.
Graf led Shriver, 6-4, 0-2 (rain).

Basketball

National Basketball Association Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct.	GB
Boston	40	14	.741	—
Philadelphia	31	22	.585	8½
Washington	29	24	.547	10½
New York	16	37	.302	23½
New Jersey	13	39	.250	26
Central Division				
Detroit	34	17	.667	—
Milwaukee	33	21	.611	1½
Atlanta	32	20	.615	1½
Chicago	25	25	.500	8½
Indiana	26	27	.491	9
Cleveland	21	32	.396	14
WESTERN CONFERENCE				
Midwest Division				
Dallas	34	17	.667	—
Utah	30	23	.566	4
Houston	28	24	.538	5½
Denver	23	31	.426	11½
San Antonio	19	35	.352	15½
Sacramento	17	35	.327	16½
Pacific Division				
L.A. Lakers	40	13	.755	—
Portland	33	21	.611	7½
Golden State	27	29	.482	14½
Seattle	26	28	.481	14½
Phoenix	22	32	.407	18½
L.A. Clippers	9	42	.176	30

Friday's Results

Sacramento 18 22 18 33— 91
Philadelphia 34 28 36 25—123

Toney 15-24 2-3 32, Barkley 7-12 4-5 18; Theus 10-18 1-1 22, Thorpe 7-15 6-6 20. Rebounds: Sacramento 43 (Kleine 12); Philadelphia 56 (Barkley 17). Assists: Sacramento 19 (Theus 7); Philadelphia 33 (Cheeks 11).

Indiana 26 31 28 32—117
Atlanta 25 29 28 23—105

Stipanovich 9-11 12-12 30, Long 8-20 4-4 21; Wilkins 9-24 14-16 32, Levingston 8-10 1-1 17. Rebounds: Indiana 50 (Stipanovich 15); Atlanta 45 (Wilkins 10). Assists: Indiana 21 (Stipanovich 4); Atlanta 32 (Rivers 11).

L.A. Lakers 26 27 25 33—110
Chicago 20 18 28 24—100

Johnson 13-20 4-8 28, Worthy 8-12 2-4 18, M. Thompson 7-7 4-6 18; Jordan 11-27 11-12 33, Oakley 6-11 2-2 15, Corzine 7-12 1-2 15. Rebounds: Lakers 44 (Abdul-Jabbar 7); Chicago 37 (Oakley 11). Assists: Lakers 30 (Johnson 16); Chicago 27 (Paxson 8).

San Antonio 31 20 29 27—107
Dallas 32 33 25 32—122

Aguirre 19-30 0-0 41, Perkins 8-15 8-9 25; Sundvold 11-17 0-0 24, Krystkowiak 7-14 3-3 17. Rebounds: San Antonio 45 (Robertson 9); Dallas 63 (Perkins 18). Assists: San Antonio 27 (Sundvold 7); Dallas 31 (Aguirre 9).

Washington 34 33 31 20—118
Utah 30 35 18 30—113

M. Malone 14-24 7-9 35, J. Malone 11-23 7-8 29; K. Malone 13-27 10-14 36, Stockton 6-12 2-4 14. Rebounds: Washington 67 (M. Malone 15); Utah 59 (K. Malone 15). Assists: Washington 23 (Whatley 7); Utah 27 (Stockton 14).

Denver 24 29 31 23—107
L.A. Clippers 37 30 28 36—131

Cage 9-14 10-14 28, Fields 6-11 6-6 18; English 16-28 8-9 40, Walker 7-14 4-4 18. Rebounds: Denver 50 (Cooper 12); Los Angeles 68 (Cage 18). Assists: Denver 28 (Lever 9); Los Angeles 32 (Valentine 10).

Saturday's Results

Utah 19 25 17 20—81
Houston 29 22 21 23—94

Olajuwon 11-19 6-7 28, Harris 6-12 4-5 16; Bailey 7-17 1-2 15, Benson 7-13 1-2 15, Malone 5-10 4-6 14. Rebounds: Utah 43 (Bailey 10); Houston 52 (McCray 14). Assists: Utah 19 (Stockton 9); Houston 20 (Reid 6).

New York 32 28 21 26—107
New Jersey 32 29 27 23—111

B. Williams 11-22 10-14 32, Gminski 10-19 6-7 26; Wilkins 16-28 7-8 42, Walker 7-16 5-8 19. Rebounds: New York 50 (Ewing 11); New Jersey 65 (Gminski 16). Assists: New York 15 (Sparrow 7); New Jersey 19 (King 6).

Atlanta 22 22 25 28— 97
Detroit 32 21 27 23—103

Dantley 7-12 9-12 23, Thomas 5-12 6-8 16; McGee 8-16 0-0 20, Wilkins 6-17 6-7 18. Rebounds: Atlanta 51 (Willis 18); Detroit 47 (Laimbeer 16). Assists: Atlanta 20 (Williams 8); Detroit 20 (Johnson 6).

Golden State 29 26 28 28 0—111
Dallas 27 30 22 24 19—122

Aguirre 8-15 13-14 29, Davis 9-14 2-6 22; Carroll 13-27 7-7 33, Smith 7-9 3-4 17, Teagle 8-16 1-1 17. Rebounds: Golden State 45 (Smith 16); Dallas 45 (Tarpley 12). Assists: Golden State 26 (Floyd 17); Dallas 24 (Davis 8).

San Antonio 26 31 29 27—113
Boston 37 29 28 27—121

Bird 13-25 4-5 34, McHale 9-16 3-6 21; Berry 14-21 1-2 29, Robertson 8-22 4-7 20. Rebounds: San Antonio 50 (Greenwood 15); Boston 43 (Parish 15). Assists: San Antonio 31 (Robertson 9); Boston 37 (Bird 18).

Milwaukee 33 26 26 30—115
Phoenix 39 21 18 29—107

Lucas 10-18 3-3 24, Pierce 8-13 6-8 22; Davis 12-23 3-4 27, Nance 7-12 7-8 21. Rebounds: Milwaukee 40 (Sikma 12); Phoenix 37 (Nance 9). Assists: Milwaukee 31 (Lucas 10); Phoenix 30 (Nance 7).

Washington 19 30 22 22—93
Seattle 26 22 35 27—110

Chambers 13-26 4-4 31, McDaniel 12-20 5-8 29; J. Malone 12-25 6-6 30, M. Malone 9-21 6-9 24. Rebounds: Washington 37 (Malone 11); Seattle 65 (Lister 18). Assists: Washington 19 (Williams 5); Seattle 26 (McMillan 13).

Selected U.S. College Results

FRIDAY

EAST

Bridgeport 73, S. Connecticut 64
Dartmouth 83, Brown 73
Penn 94, Columbia 73
Princeton 69, Cornell 63
Rochester Tech 88, Kings Point 83
Union 69, Clarkson 57
Yale 88, Harvard 76

SOUTH

Wash. & Lee 71, Maryville (Tenn.) 60

MIDWEST

Cleveland St. 108, Valparaiso 82
Knox 78, Coe 70
Upper Iowa 69, Wartburg 61

FAR WEST

Chapman 75, Cal-Riverside 70
Chico St. 81, Cal-Davis 72
Loyola (Calif.) 97, San Francisco 78
Pepperdine 64, Santa Clara 50
Sonoma St. 77, San Francisco St. 76
W. Washington 82, Seattle 64

SATURDAY

EAST

Babson 87, Colby 75
Boston U. 67, Canisius 54
Brandeis 104, Nichols 91
Brown 90, Harvard 87
Bucknell 92, Hofstra 87
Buffalo St. 61, Brockport St. 46
C.W. Post 87, N.Y. Tech 78
Clark (Mass.) 91, Tufts 80
Connecticut Col. 95, Bates 73
Dartmouth 89, Yale 83
Fordham 60, Texas 48
Hamilton 79, Hartwick 67
Holy Cross 75, Manhattan 66
Iona 85, Fairfield 83, OT
Ithaca 80, Alfred 78
Kansas 62, St. John's 60
La Salle 68, St. Peter's 61
Lafayette 72, Towson St. 58
Lehigh 98, Delaware 79
Long Island U. 81, St. Francis (Pa.) 72
Loyola (Md.) 78, Monmouth (N.J.) 63
Maine 79, Colgate 76
Massachusetts 69, St. Bonaventure 57
Navy 58, Army 52
Niagara 106, Hartford 90
Northeastern 98, Siena 83
Oswego St. 85, Buffalo 79
Penn 93, Cornell 59
Penn St. 108, Rutgers 99, 2OT
Pittsburgh 76, Connecticut 66
Princeton 63, Columbia 58
RPI 97, Clarkson 83
Rhode Island 80, Duquesne 74
RIT 88, St. Lawrence 76
Rochester 71, Kings Point 59
Seton Hall 68, Villanova 67
S. Carolina St. 73, Morgan St. 62
Swarthmore 77, Haverford 64
Temple 88, George Washington 77

SOUTH

Akron 76, Murray St. 66
Alabama 77, Auburn 75
Ala.-Birmingham 86, W. Kentucky 73
Florida 99, Miami (Fla.) 60
George Mason 67, East Carolina 60
Georgia 69, Mississippi 65
Georgia Tech 79, Duke 72
Grambling St. 103, Alabama St. 79
Jacksonville 71, Old Dominion 66
James Madison 78, N.C.-Wilmington 73, OT
Lamar 54, SW Louisiana 51
Louisiana St. 65, Kentucky 52
Marshall 96, Davidson 90
Mississippi St. 62, Tennessee 60
Morehead St. 94, Tennessee Tech 60
North Carolina 96, Clemson 80
N.C.-Charlotte 83, Va. Commonwealth 74
Richmond 72, American 69, OT
So. Mississippi 89, Virginia Tech 77
Tenn.-Chattanooga 61, Furman 56
Tennessee St. 105, Florida A&M 94
VMI 86, Appalachian St. 84

MIDWEST

Allegheny 93, Oberlin 76
Bowling Green 58, Miami (Ohio) 56
Cleveland St. 111, Cent. Michigan 101
Creighton 88, S. Illinois 85
Dayton 59, Marquette 57
Denison 84, Case Western 63
E. Michigan 76, Ball St. 71
Evansville 86, Loyola (Ill.) 83
Ill.-Chicago 74, W. Illinois 69
Illinois Col. 97, Coe 88
Illinois St. 82, Chicago St. 65
Indiana 84, Iowa 75
Kent. St. 82, Toledo 77
Michigan 101, Northwestern 73
N. Colorado 61, N. Dakota 48
Ohio St. 88, Minnesota 73
Ohio U. 70, W. Michigan 57
St. Louis 73, Detroit 68
Wichita St. 70, Indiana St. 52
Wisconsin 65, Michigan St. 63
Xavier (Ohio) 81, Oral Roberts 73, 2OT

SOUTHWEST

Arkansas 71, Baylor 67
Louisiana Tech 80, N. Texas St. 77
New Orleans 73, Pan American 72
Oklahoma 133, Nebraska 97
Oklahoma St. 76, Iowa St. 64
Texas A&M 63, Rice 60
Texas Christian 52, Texas Tech 44
Tulsa 74, Bradley 70
W. Texas St. 84, Howard Payne 62

FAR WEST

Alaska-Anchorage 83, Metro St. 72
Arizona 81, Washington 70
Arizona St. 66, Washington St. 62
Boise St. 72, Montana St. 59
Brigham Young 67, Wyoming 63
Cal-Davis 91, Humboldt St. 87
Cal-Santa Barbara 69, Fullerton St. 58
Hayward St. 68, San Francisco 65
Idaho 102, Montana 76
Missouri 76, Colorado 68
Nev.-Las Vegas 80, New Mexico St. 69
Nev.-Reno 89, Weber St. 83
New Mexico 62, Colorado St. 61
N. Arizona 71, Idaho St. 62
Notre Dame 57, Utah 56
St. Mary's (Calif.) 49, Gonzaga 48
San Diego 64, Portland 44
San Diego St. 92, Hawaii 89
San Francisco 78, Pepperdine 77
Santa Clara 88, Loyola (Calif.) 74
Southern Cal 65, Oregon St. 55
Texas El-Paso 84, Air Force 73
U.S. International 94, Texas-Arlington 89, OT
Utah St. 68, Fresno St. 65

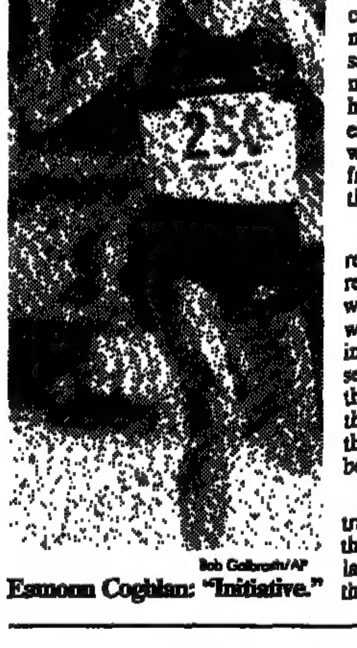

Susan Ragan/The Associated Press
Kevin Pritchard was all over Keith Harris after his Kansas teammate sunk the free throws that beat St. John's, 62-60.

Coghlan Sets Record for Indoor 2,000

Compiled by Our Staff From Dispatches

INGLEWOOD, California — The 2,000-meter run isn't one of track and field's best-known races. But Eamonn Coghlan says knocking four seconds off the world indoor standard gives some credence to the rarely-run event.

"I knew the record was relatively soft, but at the same time, I knew I had to run hard to get it," said the Irish-born indoor ace Friday night after he was clocked in 4 minutes, 54.07 seconds at an international meet here.


Bob Galbraith/AP
Eamonn Coghlan: "Initiative."

Meanwhile, Vali Ionescu of Romania set a world mark in the women's triple jump. Her effort of 45 feet, 8½ inches (13.93 meters) improved on the mark of 13.58 meters, set a year ago in San Diego by Galina Chistyakova of the Soviet Union.

"Because the 2,000 isn't run much indoors, people can say it's a constructed race for a record, but now it's a respected record," he said. "When I heard 2:02 announced at the half-mile, I knew I had to get it myself because nobody else was there to force the pace. I was really surprised nobody was [in front]. I think the runners went into the race with a defeatist attitude."

Coghlan got no help from the rest of the field in his quest for the record. "When I looked behind me with two laps to go and saw nobody was close, I knew nobody was going to challenge me. I said to myself, 'This is too slow. I'm going for the record myself. I've got to take the initiative.' If someone breaks the record they're going to have to beat me."

Coghlan, 34, is accustomed to trailing the pack and then stealing the race with a withering kick in the last 60 to 80 yards. But he reversed the tactics in the 2,000, which is equivalent to a mile and a quarter, increasing his lead lap after lap and smashing Steve Scott's record of 4:58.60.

Coghlan took command of the race after three-quarters of a mile; he was timed in 3:59.4 for one mile and at the finish was far ahead of runner-up Doug Padilla, who was clocked in 4:59.78.

Ireland's Paul Donovan was third in 5:00.55, with Scott fourth in 5:03.74. Another Irish runner, Ray Flynn, was fifth in 5:06.44, and John Walker of New Zealand was sixth in 5:07.59.

It was estimated that Coghlan ran his last quarter in 56 seconds, so he was still full of run despite setting the pace.

Coghlan now owns three indoor marks. In addition to the 2,000, he also has the world's fastest indoor time in the mile (3:49.78) and 1,500 meters (3:35.6).

Some observers felt Coghlan was washed up last year when he failed to win indoors. He said that he had been weakened by a diet called Eat to Win. "And I lost," he said wryly.

He went back to his regular training regimen this season, and apparently is as sharp as ever. He is five-for-five this season with the prospect of winning some more, including the 3,000 meters, or 1,500 meters in the world championship meet March 6-8 in Indianapolis.

"I'm personally very proud to be able to come back from all the setbacks and the pathetic year I had," he said. *(AP, LAT)*

UNLV Wakes Up, Wins 13th Straight

Compiled by Our Staff From Dispatches

LAS CRUCES, New Mexico — Nevada-Las Vegas woke up just in time to save its No. 1 ranking.

COLLEGE BASKETBALL

Trailing by 19 at the half, the Runnin' Rebels used Armon Gilliam's 23 second-half points and a full-court pressure defense to come from behind and beat New Mexico State, 80-69, on Saturday.

Gilliam, a senior forward, finished with 27 points as the Rebels ran their winning streak to 13 and their record to 28-1.

"We were sleep-walking in the first half," said the Nevada-Las Vegas coach, Jerry Tarkanian. "At halftime I explained to them they had only one chance left. I told them... it would be a test of their character."

The Rebels apparently got the message.

Nevada-Las Vegas outscored New Mexico State, 14-2, to start the second half to cut the home team's lead to 45-38.

The press forced seven Aggies turnovers in the first 7½ minutes of the second half, and Gilliam repeatedly turned them into points. Mark Wade, the Rebels point guard who finished with 13 points, hit three 3-point baskets in the first 10 minutes of the half.

With 10:04 left in the game, New Mexico State's lead had shrunk to 54-51, and that's when things unraveled totally for the Aggies.

Kenny Travis, the guard who had carried the Aggies in the first half with 22 of his 25 points, picked up his fifth foul. Coach Neil McCarthy argued the call and was whistled for a technical.

Freddie Banks, the Rebels senior guard, then came up with a six-point play by converting four free throws and scoring on a reverse layup on UNLV's ensuing possession. That gave the Rebels their first lead since the opening minute of the game. A 10-2 Nevada-Las Vegas run minutes later — spurred by a pair of Gilliam dunks and consecutive 3-point goals from a reserve guard, Gary Graham — put the game away. Banks ended with 12 points.

Nevada-Las Vegas improved its Pacific Coast Athletic Association mark to 16-0 while New Mexico State dropped to 14-13 overall and 8-8 in the conference.

Indiana 84, Iowa 75: In Bloomington, Indiana, Steve Alford scored 24 points to lead the Hoosiers. The triumph gave Coach Bobby Knight a 200-73 record in Big Ten games. He is only the third man to win 200 league games.

North Carolina 96, Clemson 80: In Chapel Hill, North Carolina, Jeff Lebo scored 24 points and Joe Wolf added 21 to help the Tar Heels clinch the Atlantic Coast Conference regular-season crown.

Temple 88, George Washington 77: In Washington, D.C., Nate Blackwell scored a career-high 37 points, including 20 of the final 25, for the Owls. They improved their record to 28-2 with their 15th consecutive victory.

Pittsburgh 76, Connecticut 66: In Hartford, Connecticut, Jerome Lane scored 20 points and grabbed 21 rebounds to lead the Panthers, who are 22-5. Lane is the nation's top Division I rebounder.

Alabama 77, Auburn 75: In Auburn, Alabama, Terry Coner hit a layup with 56 seconds left to give the Crimson Tide a Southeastern Conference triumph.

Kansas 62, St. John's 60: In New York, Keith Harris hit two free throws with no time left, capping a Kansas rally from a 12-point, second-half deficit. Harris was fouled on a drive to the basket by Matt Brust as time expired. Danny Manning scored 25 points for the Jayhawks. Mark Jackson contributed a game-high 29 for St. John's.

Texas Christian 52, Texas Tech 44: In Fort Worth, Texas, Carven Holcombe scored 19 points to rally the Horned Frogs, who trailed by as many as 10 points in the first half in the Southwest Conference game and took their first lead with 9:27 remaining in the game.

Oklahoma 133, Nebraska 97: In Norman, Oklahoma, Dave Sieger scored 32 points — 24 from 3-point range — to propel the Sooners to a conference-record point total. The 133 points is the most ever scored by or against a Big Eight team.

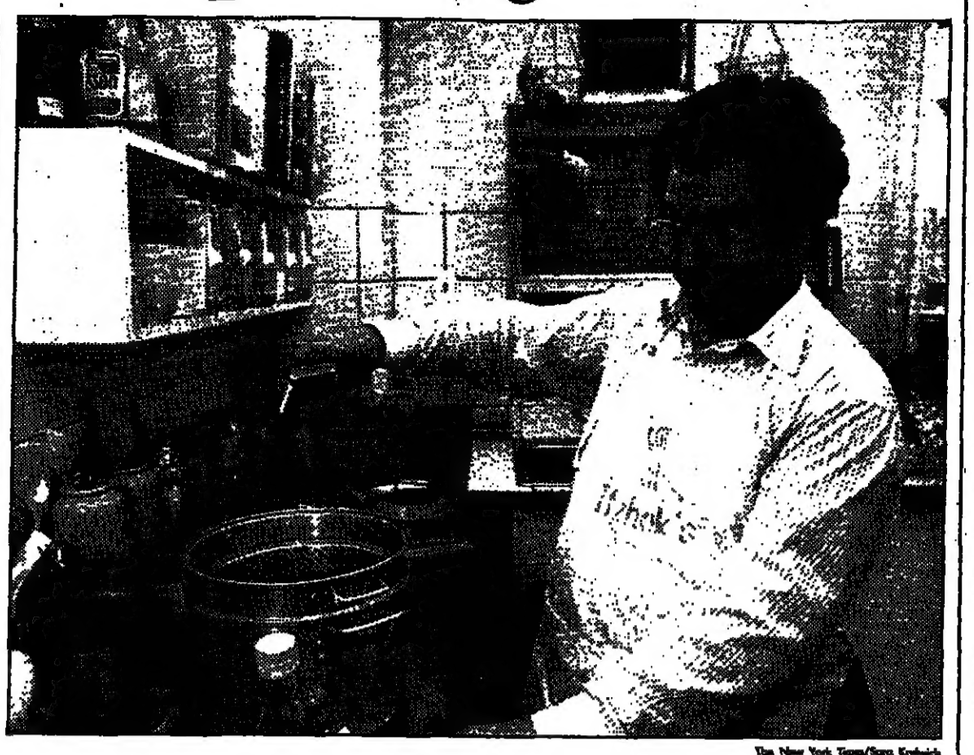
Georgia Tech 79, Duke 72: In Durham, North Carolina, Tom Hammonds scored 20 of his game-high 26 points in the first half to help beat the Blue Devils.

Brigham Young 67, Wyoming 63: In Laramie, Wyoming, Bob Capener scored 17 points to help the Cougars snap the Cowboys' 10-game winning streak.

Navy 58, Army 52: In Annapolis, Maryland, David Robinson contributed 18 points and 13 rebounds to help Navy overcome a 38-point effort by Army's Kevin Houston, the nation's leading scorer. The triumph was the Midshipmen's eighth in a row over the Cadets. Navy leads the series, 34-31.

Notre Dame 57, Utah 56: In Salt Lake City, Utah, Mitch Smith hit two free throws to give the Utes a one-point lead with 43 seconds left, but Mark Stevenson sank two for Notre Dame three seconds later and the Irish won. Utah's Gale Gondrezick led all scorers with 19 points. *(AP, UPI)*

Perlman: a Virtuoso Improvising in Kitchen



The New York Times/Sara Krulwich

Itzhak Perlman in culinary action, making meat loaf: "Basically, fine cooking has a lot to do with chemistry."

By John Rockwell
New York Times Service

NEW YORK — "I care about food" — the violinist Itzhak Perlman paused to ponder the mot juste — "in an intense way." As he spoke his ebullient wife of 20 years, Toby, was circling her index finger near her head. "Sick!" she whispered sotto voce. "Ill!"

An enormously successful virtuoso, the 41-year-old Perlman is on tour as much as he wants to be. And while he remains the devoted family man, keeping in touch by telephone with Toby and their five children (3 to 18 years old), he has also been forced to become a restaurant connoisseur. But when he is home, as he was the other day, he cooks both for pleasure and for utility — to make things he likes to eat.

Perlman's love of food is apparent in a television commercial he made for Sara Lee croissants that is receiving considerable air time. In it, he cheerfully evinces an enthusiasm for eating that far transcends the dutiful.

The other day seemed a typical one at the Perlmans' 11-room apartment on Manhattan's Upper West Side — even typical in that the family was flying off in all directions the very next day, with Perlman to Puerto Rico to perform, Mrs. Perlman somewhere else and 16-year-old Navah (whom the Perlmans describe as the only serious musician among the children, so far at least) gearing up for a performance of Beethoven's Third Piano Concerto.

In the kitchen, 3-year-old Ariella amused herself by tossing slices of zucchini as her parents bustled about. Perlman was wearing an apron that said "Eat at Itzhak's"; his wife's read "Second Fiddle." Both were gifts from a friend in Florida and hers, apart from whatever metaphorical truth it may contain, happens to be true: Toby Perlman was a violin student at the Juilliard School when she met her husband-to-be.

"You know how I started in this whole cooking business?" asked Perlman rhetorically. "You wouldn't believe it. It started 20 years ago because I believed I was getting overweight. I didn't want to eat all this stuff I was eating. I said, 'You know, I can cook for myself.' The first time I boiled a chicken and cooked it with V-8 Juice. It was quite tasty."

A few years later Perlman, who was born in Israel but has lived in New York since his mid-teens, took lessons with Virginia Lee, the late doyenne of Chinese cooking instruction in New York. Since then, he has pretty much done it on his own, experimenting and branching out to all kinds of national cuisines.

"Basically, he's just a good cook," Toby Perlman volunteered. "That means anything he touches turns out well. He makes you a sandwich, it's delicious."

Classical music is essentially a notated art these days: Performers such as Perlman may interpret what is in the score, but they stick to the composer's notes. As a cook, however, Perlman loves to improvise.

"I make do with whatever's in the refrigerator," he said. He added that he and his wife get their food primarily from "excellent" neighborhood supermarkets rather than ethnic specialty stores.

"I love to reproduce meals I've had in restaurants without learning the recipe," he said as he busied himself with a luncheon dish of capellini with tomatoes and zucchini.

The Perlmans' Manhattan kitchen — there is also a new country home — is fairly large and does not seem to have been modified to accommodate the violinist. Perlman, who had polio as a child, motors about the house in an electric cart, comes onstage on crutches and plays while seated. Long a spokesman for the rights of the disabled and an advocate of architectural designs to ease access for the handicapped, he seems to make do happily in this kitchen without crutches or cart, pivoting from counter to counter.

After lunch, Perlman turned his attention to a meat loaf he intended to leave for the children while the parents were away.

"The important thing about this is to sauté the onions and then the garlic before you put them into the meat," he said. "That way the meat is already flavored when it goes into the oven. The other thing is to put a cup or two of boiling water into the meat as you knead it; it makes it easier to mix. And basically, the more bread crumbs you use, the better it tastes — more fluffy."

As a restaurant client, Perlman will eat anything. ("He just knows what to order," his wife remarked.) His current enthusiasm is for sushi.

"I don't eat alone in restaurants anymore," he went on. "Too many people want to talk. If I'm in a city where I don't know many people, I just go back to the hotel room and turn on the TV and fall asleep without ordering anything from room service."

"With Chinese food, you need more people," he said. "You need variety; it's not food for when you're alone. I don't know what it is about musicians and food, but all my colleagues seem to love good food. We tell each other about restaurants we've found. Maybe it's the excitement you feel after a performance. If the music has been really good, you say, 'Let's go eat something good.'"

In his cooking, at least, Perlman tries to avoid practice. "That's why I started Chinese cooking — it was instant gratification," he explained. "I have no patience. I don't bake, either — I want to have something right away. With baking, you have to prepare things in advance."

Like any instinctive cook Perlman seems to derive his greatest pleasure not from dutifully following a recipe, but from the sense of freedom as he creates new combinations.

"I think, basically, really fine cooking has a lot to do with chemistry," he remarked. "Whatever you do causes a reaction."

LANGUAGE

A Notational Doozie

By William Safire

WASHINGTON — "I'm not known to make many mistakes," said Senator Lloyd Bentsen modestly, in extricating himself from a fund-raising furor, "but when I do, it's a *doozie*."

This is a botched use of a statement by Fiorello H. La Guardia, the New York mayor: "When I make a mistake, it's a beaut." The Little Flower's confession became one of the great observations in political wisdom, comparable to Woodrow Wilson's suggestion that an opponent in difficulty should not be attacked, expressed as "Never murder a man who is committing suicide."

Doozie is early 1930s slang, occasionally used by senior statesmen, and has a nice art-deco connotation; *dipsy doodle*, used by President Ronald Reagan jocularly to mean "deception," is from the same era. The definition of *doozie* is usually "something outstanding or excellent," but the slang word adds zest and enthusiastic emphasis; a second meaning has emerged of "a stunning event."

Its most common synonym is another slang term, *humdinger*, first listed in the 1905 Dialect Notes as a term of admiration in Nebraska dialect, the example being, "She's a *humdinger*."

Unlike the roots of most slang terms, the roots of *doozie* are far from obscure: The expensive Duesenberg automobile captured the public imagination during the early 1930s, and a caption in a nostalgic issue of Life magazine in 1983 under a picture of the motorcar read: "*Doozies* like this boat-tailed '33 Speedster purred for Gable and Flynn at 100 mph."

DANIEL SCHORR, senior news analyst for National Public Radio, was the first to notice it. The phrase was buried in one of the duller reaches of the Senate Intelligence Committee report on its preliminary inquiry into the Iran mess.

A memorandum from Lieutenant Colonel Oliver L. North to Vice Admiral John M. Poindexter contains a "notional timeline," noted the Senate committee.

Notional — consisting of *ideas, concepts*, or the more trivial *notions* — is a word in grammar to denote what happens in the real world, as against *relational*, what happens in the land of syntax. For example, "sex" — the real thing — is *notional*, while "gender" — the category that tidy linguists use for words — is syntactic, or relational. That sense does not help to figure out what Oliver North had in mind, so forget it.

Notional is an adjective that also means "fanciful, speculative, imaginary"; could that be what one military man was saying to the other? For help in understanding its application in this context, I turned to Bernard Trainor, military correspondent of The New York Times. He recognized the usage immediately: "for illustrative purposes" was the meaning in the Pentagon.

"A notional task force," says Trainor, "is a hypothetical one — containing so many ships, so many planes, so many troops. It exists only on paper." Some strategists use it as a highfalutin word for "typical."

What about the noun *timeline*?

Only the Oxford English Dictionary (as well as its Supplement) carries the term, which was used by the psychologist William James in 1890 to mean a line "of which each undulation or link stands for a certain fraction of a second." The OED Supplement's most recent sense of *timeline* is "a schedule, a deadline."

Trainor heard about the military use of *timeline*, too: It is a series of events in sequence, some of which may overlap, within a general *timeframe*. For example (mine, not his): in a timeframe of a month, you could have a timeline consisting of one day's bombardment of a target area, a two-day invasion, a week's resupply to secure the area and three weeks of visits by selected correspondents to designated areas for reporting on the victory.

Thus, a *notional timeline* can be a hypothetical series of events, or an imagined sequence, or a reconstruction for illustrative purposes of what could take place over a given period.

I tried this on a White House aide familiar with the most arcane geo-strategic jargon. Did the expression *notional timeline* mean anything in his world?

The ultra-insider responded immediately: "You mean Ollie's cockamamie chronology?" He's my candidate for the next national security adviser.

Page 6 FOR MORE CLASSIFIEDS

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